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Reagan To Veto Sanctions

But Bill Aimed At South Africa Is Likely to Pass

The Associated Press

WASHINGTON — As President Ronald Reagan prepared to veto a bill calling for economic sanctions against South Africa, Republican legislators said Friday that he still did not have enough votes to sustain the veto in the Senate. The House of Representatives is considered certain to override Mr. Reagan's veto.

"The veto situation is one which could go either way," said Senator Richard G. Lugar, an Indiana Republican and chairman of the Foreign Relations Committee, who is opposing the president on this issue. "I believe that there are the votes in the Senate to override the veto but I say that very reluctantly."

The sanctions bill was approved in the Senate, 84-14, and in the House, 308-77. Two-thirds of the members present and voting are needed to override a presidential veto. Mr. Reagan had until midnight Friday to veto the legislation to prevent it from becoming law without his signature.

The presidential spokesman, Larry Speakes, said Friday that a four-page message outlining Mr. Reagan's views would accompany the veto announcement. He said that Mr. Reagan's involvement in the battle to sustain the veto would depend "on what the possibilities are for success."

Camera Press

Richard G. Lugar

Mr. Lugar said on American television that Mr. Reagan appeared to have 25 to 30 of the 34 votes he would need to sustain a veto if all senators voted.

A veto, Mr. Lugar said, "will send a mixed signal to the world and to South Africa, and we ought to not have that mixed signal."

Desmond M. Tutu, the Anglican archbishop of Cape Town, said from South Africa that the veto represented a moral decision.

"Are you on the side of justice or injustice? he asked in an interview on American television. "Are you on the side of the oppressed or are you on the side of the oppressor?"

Alluding to Mr. Reagan, Archbishop Tutu said: "As a victim of apartheid, I would say that he doesn't feel, he doesn't think that I

See VETO, Page 2

New Limits on CIA Seen in Senate Bill

By Stephen Engelberg
New York Times Service

WASHINGTON — The Senate has approved secret legislation that legislators and administration officials say undercuts the authority of the Central Intelligence Agency to manage its own affairs.

Senator Jesse Helms, the conservative Republican from North Carolina, proposed the new requirements on Wednesday as part of an amendment to the annual bill establishing and extending programs and setting spending limits on the CIA and other intelligence agencies.

Mr. Helms said they would give direction to an agency that had become a "loose cannon."

The maneuvering this week over the amendments, which will now go to a secret conference committee to work out differences between the Senate and House versions, prompted a confrontation between Mr. Helms and William J. Casey, the director of central intelligence.

An amendment sponsored by Mr. Helms demanding that the CIA look into allegations of human rights violations and drug dealing by the government of Panama passed by a vote of 53-47.

The Senate passed another Helms amendment on a voice vote. Its details, as well as nearly all the other provisions affecting the intelligence agencies, were contained in a classified appendix available only to senators.

According to intelligence sources, one of the most notable of the provisions seeks to enhance the independence of the Defense Intelligence Agency, the Pentagon's intelligence service.

According to the sources, the amendment demands that this agency become the focal point for all intelligence on military affairs. Part of this includes prohibiting the agency from coordinating its annual publication on "Soviet Military Power" with the CIA.

In recent years, the Defense Intelligence Agency and the CIA have begun working in closer cooperation on intelligence estimates, and some conservative critics of the CIA are unhappy with this trend. The critics believe the defense agency takes a more hard-line — and in their opinion, realistic — view of Soviet military prowess.

Others in the intelligence field, including Stansfield Turner, the former director of central intelligence, have argued that the Defense Intelligence Agency consistently overstates the Soviet threat in an effort to serve its chief constituency, the Pentagon.

Another provision of this amendment would set up a team of 15 experts from outside the government that would spend a year reviewing some of the basic intelligence findings of the CIA. Their report would be delivered to the president and Congress at the end of this year.

The panel would answer a list of more than two dozen specific questions, including such issues as the effect of Soviet deception on arms control, the accuracy of U.S. estimates of Soviet missile capabilities, and the CIA's purported failure to call attention to violations of con-

See CIA, Page 2

Reuters

David Hirst, a British journalist, following his escape from captors in Beirut.

Journalist Flees Captors In Beirut

Reuters

BEIRUT — A British journalist said he escaped a kidnapping attempt in West Beirut on Friday by fleeing from a car driven by his armed abductors.

David Hirst, the Middle East correspondent for The Guardian newspaper, said he was forced into the car while he was traveling from the predominantly Moslem western sector to the Christian eastern sector.

Mr. Hirst, 50, who is based in Beirut, said he was abducted when his car had a flat tire on a deserted street. Three men in a car stopped, he said, then put a gun to his head and pushed him into the back seat of their car.

He said he was blindfolded and driven to a deserted square. "I could see what they were trying to do, get me into a concrete hovel."

"Somehow, I managed to open the door of the car," he continued. "A general struggle ensued.

"It was confusion to me," Mr. Hirst added. "I was reluctant to struggle hard because the pistol was at my head or stomach. They shouted in English, 'I kill you, I kill you.'"

He said he believed that the gunmen gave up the kidnapping attempt after his struggle. "I, detached myself," he said. "I ran about 20 meters down an alleyway. They did not chase me. I found a taxi and drove to West Beirut."

Two Americans were kidnapped in West Beirut earlier this month and a Frenchman was reported seized in the eastern sector this week. A total of 20 foreigners are missing in Lebanon.

French Say Abdallah Will Face New Trial

Case Concerns 1982 Killings

By Richard Bernstein
New York Times Service

PARIS — France's justice minister said Friday that Georges Ibrahim Abdallah, whose release from prison is sought by a group that has claimed responsibility for a wave of terrorist bombings in Paris, is likely to brought to trial in a few months.

Justice Minister Albin Chalandon, speaking in the city of Dijon, said that he had ordered French prosecutors to bring Mr. Abdallah, the presumed head of a terrorist group called the Lebanese Armed Revolutionary Factions, to trial for involvement in the murders of two diplomats, an Israeli and an American, in Paris in 1982.

Mr. Abdallah's release has been the main demand of the Committee for Solidarity with Arab and Middle Eastern Political Prisoners. The group, which is also demanding the release of two other prisoners, has claimed responsibility for five bomb attacks in Paris from Sept. 8 to Sept. 16 that took nine lives and wounded more than 160 people.

The bombing campaign spurred speculation, denied by French officials, that the government was seeking a way to avoid bringing Mr. Abdallah to trial.

Mr. Chalandon's statement Friday seemed to put to rest these possibilities.

The Lebanese Armed Revolutionary Factions took credit for the 1982 killings in Paris of an Israeli diplomat, Yaacov Barsimantov, and a U.S. military attaché, Lieutenant Colonel Charles R. Ray.

Privately, U.S. diplomats had expressed the concern that the French authorities wanted to avoid a trial and to seek a way of expelling Mr. Abdallah.

The U.S. Embassy criticized a four-year sentence handed down to Mr. Abdallah in July as too light. Mr. Abdallah, who was arrested in Lyon in 1984, was convicted there of weapons possession and carrying false papers. The Paris trial will deal with the more serious charges of complicity in the murders of the two diplomats.

Fearful that the French might seek to dismiss these charges against Mr. Abdallah as a means of paving the way to his eventual expulsion, the United States formally became a civil plaintiff in the Paris

See FRANCE, Page 2

UPI

Charles R. Ray

AP

Georges Ibrahim Abdallah

2 Nuclear Safety Accords Signed at Vienna Session

By Paul Lewis
New York Times Service

VIENNA — Nearly 50 members of the International Atomic Energy Agency approved two agreements Friday requiring them to inform each other immediately about nuclear accidents and to help affected countries.

Representatives of 94 industrial and developing countries attending the conference affirmed their support for nuclear power. But they said the explosion at the Soviet Union's Chernobyl plant last April had increased the need for international cooperation to make reactors safe and combat radioactive pollution.

They had attended a three-day conference on the lessons of the Chernobyl disaster.

Representatives of 49 of the agency's 114 member countries immediately signed the new conventions.

The principal convention, drawn up after accusations that the Soviet Union was slow to tell the rest of the world about Chernobyl, requires member countries to provide immediate detailed information on any radioactive leak likely to affect other nations.

It applies to accidents at all civil and most military nuclear installations. At Soviet and U.S. insistence, leaks from weapons and underground test explosions are excluded. But both countries, together with the other nuclear powers, said they would notify other nations of such accidents on a voluntary basis.

Energy Secretary John S. Herrington, signing the two conventions on behalf of the United States, said they created "a cooperative framework in which all nations may participate in order to minimize dangers in the event of another nuclear accident."

Russia prepares to resume operations at Chernobyl. Page 2.

Mr. Herrington called for further efforts to improve safety at nuclear power plants throughout the world and said he was not yet satisfied the Soviet Union had done enough to make its Chernobyl plant secure. "We are still awaiting answers to nearly 600 technical questions about them about the modifications they are making," he said.

A major aim of this week's conference, called at Soviet and West German insistence, was to underline the continued importance of nuclear power for many countries and to reassure public opinion that everything possible was being done to make it safe.

In their final declaration, delegates said nuclear power "will continue to be an important source of energy for social and economic development."

They also said that individual countries remained responsible for the safety of their civil nuclear installations, but they called in general terms for greater international cooperation on security questions through the International Atomic Energy Agency.

Currently, 189 nuclear power reactors are operational in the world. But another 113 are under construction, according to agency figures.

The conference only reached consensus Friday after agreeing that the agency should discuss the views of dissenting nations at future meetings.

Several members urged that countries suffering a nuclear accident should be held liable in international law to pay for the damage they caused. The Soviet Union admitted that it had "moral responsibility" for the consequences of the Chernobyl disaster, but it denied any legal obligations.

Sweden, Denmark, Luxembourg and Ireland — the four European countries with the deepest distrust of nuclear energy — want the International Atomic Energy Agency to draft a new treaty requiring all countries to consult with their

See NUCLEAR, Page 2

U.S. Said to Investigate Its Envoy to Bern

By Howard Kurtz
Washington Post Service

WASHINGTON — U.S. Justice and State Department officials are investigating whether Faith Ryan Whittlesey, the U.S. ambassador to Switzerland, misspent money from an $80,000 entertainment fund raised from private donors, and are looking into her hiring of the son of a major donor, according to sources.

An Illinois businessman, Frank E. Reilly, contributed $5,000 to Mrs. Whittlesey's "representational" fund last November, weeks before his son, Robert, then a White House aide, joined Mrs. Whittlesey's staff as the embassy's "senior adviser for public diplomacy."

Robert Reilly was given a political appointment to a senior U.S. Information Agency post at the Bern embassy, a post of a kind almost always filled by career Foreign Service officers.

The appointment was made after Mrs. Whittlesey called Charles Z. Wick, the agency's director, to ask that Mr. Reilly be cleared for the $62,400-a-year job. The appointment was approved last September. A month earlier, the ranking USIA career officer at the U.S. Embassy in Bern was recalled to Washington, reportedly in mid-tour, and retired, making room for Mr. Reilly.

An ambassador's representational fund is intended to be spent primarily to entertain citizens of the host country, according to Bernard Woerz, chief of the State Department's post management unit.

Reuters-UPI

Faith Ryan Whittlesey

Embassy records made available to The Washington Post, however, show that Mrs. Whittlesey spent nearly all the money to entertain leading American conservatives, businessmen and administration officials, including Attorney General Edwin Meese III; Assistant Attorney General William Bradford Reynolds; former Interior Secretary William P. Clark; Edwin J. Feulner, president of the Heritage Foundation; Paul Weyrich, president of the Free Congress Foundation; Phyllis Schlafly, the conservative activist; Richard Rahn, vice president of the Chamber of Commerce, and Jackie Presser, president of the Teamsters union.

Several businessmen who were Mrs. Whittlesey's guests or were invited to meals at the ambassadorial residence had made tax-deductible contributions to the State Department fund. The fund, which raised at least $83,000, much of it in $5,000 checks, was then charged with entertaining the businessmen and their families in Switzerland.

Christopher Manion, an aide to Senator Jesse Helms, a Republican of North Carolina and a member of the Senate Foreign Relations Committee, was a guest at several embassy meals in late June and early July 1985.

Mrs. Whittlesey later charged her representational fund for Mr. Manion's plane fare to Bern, describing him as "Mr. Christopher Manion, singer and guitar player, who came for the Fourth of July celebrations to entertain the official guests."

Mr. Manion could not be reached for comment. Mrs. Whittlesey, then a White House aide, joined 22 Reagan-appointed ambassadors who endorsed Mr. Helms for re-election in a letter in 1984.

A State Department spokesman confirmed Thursday that the department's inspector general was examining Mrs. Whittlesey's entertainment fund. Sources familiar with the inquiry said a Justice Department investigator recently visited Switzerland with an official from the inspector general's office.

Mrs. Whittlesey served as ambassador to Switzerland at the beginning of the first Reagan administration, and in 1983 was named director of the White House public liaison office. She was reappointed ambassador in Bern last year.

She could not be reached for comment Thursday.

Iraq Expects Iran Feint, Then Main Attack

By Charles Mohr
New York Times Service

BAGHDAD — The Iraqi defense minister says an expected Iranian offensive will probably begin with a feint intended to draw Iraq's strategic reserve forces away from the area of the main attack.

Commenting on repeated Iranian threats to launch a new thrust in the six-year war between the two Middle East nations, the minister, General Adnan Khairallah, said Wednesday that "if I were part of Iran's leadership, I would not see any alternative but to start a major offensive" aimed at eroding Iraq's will to continue the war.

He added, "Our calculations are they will exert efforts in more than one sector."

The general, who is also deputy commander in chief of the armed forces under President Saddam Hussein, said that Iraq expected such a military "deception" and would seek to contain it with local reserves so that the country could commit its best reserve forces where most needed. He did not say when he expected the attack might come.

Iraq's generals and political leaders have seldom, if ever, been so frank with foreign journalists in discussing the conduct of the long war.

Iraq has significantly expanded its total forces and, especially, its elite reserve units in the past seven months since Iranian troops managed to cross the Shatt-al-Arab waterway at the head of the Gulf in February and gain a foothold on the southernmost tip of Iraqi soil around the former oil shipping town of Fao.

Western experts believe that the units, known as the presidential or republican guard, have grown from six brigades to 16 or 17 brigades, totaling about 25,000 men composed of mechanized infantry and armor troops equipped, in part, with modern Soviet-made T-72 tanks.

The guard often acts as the nation's main mobile reserve, putting out military fires along a more than 700-mile (1,100-kilometer) front between the two nations. Analysts also believe that Iraq's main army has been increased to about 700,000 men from about 550,000, including about 40 combat divisions.

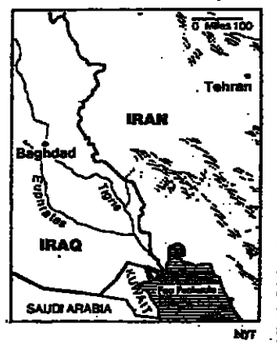
Thus, Iraq's army has grown in recent years to become one of the largest and best-equipped in the world. The air force, with 450 to 600 combat aircraft, is also a major factor.

The defense minister, who spoke in Arabic through an interpreter, also said that, in 1986, Iraq had obtained and was increasingly using "specialized" aerial ordnance that had brought what he called a "qualitative" improvement to the air arm. His interpreter described these projectiles as "ballistic," but it seemed likely that the general was referring to some form of so-called smart bombs that use optical devices for final guidance to the target.

The general seemed to confirm the impression held by foreign experts that since midsummer the air force has been using somewhat more risky tactics to achieve more destructive results in air strikes on such important economic targets as the oil shipment facilities on Iran's Kharg Island in the Gulf. But he indicated that a line, not easy to draw, had to be drawn between prudence and aggressive flying.

"In order not to lose planes, which are very precious, and not to enter into the airspace of Iranian air defense weapons," he said, pilots would use longer-range weapons than ordinary gravity bombs when possible.

Losses of planes and pilots had to be kept to "acceptable levels," he said, even though inflicting heavy damage on Iran's economic and military infrastructure is central to Iraq's efforts to force the regime of Ayatollah Ruhollah Khomeini to accept an end to the fighting, something for which Iraq has been asking since 1982.



NYT

The defense minister also said, for the first time, that one of two fighter bombers that Iraq has acknowledged losing in the past two weeks was shot down in a dogfight, demonstrating that Iran's Air Force is not entirely toothless despite battle losses and spare parts shortages that have reduced its inventory of combat-ready planes to perhaps one-tenth of Iraq's force.

The general said that the other plane was lost when its pilot exceeded his instructions and flew too low and too close to his target and was struck by a missile from an Iranian naval vessel.

General Khairallah confirmed Western intelligence reports that Iranian combat engineers were in the process of building a second pontoon bridge across the Shatt-al-Arab to support and, perhaps, to reinforce their bridgehead on the Fao Peninsula.

He also confirmed that the first pontoon bridge, built soon after Iranian troops crossed the water-

See GULF, Page 2

INSIDE

Walt French/Reuters-UPI

Mike Scott, the Houston Astros pitcher, is doused with champagne after throwing a no-hitter to win the National League West title. The 2-0 victory over the San Francisco Giants was the first time in the majors a no-hitter had clinched a division title. Page 21.

GENERAL NEWS

■ Malaysia banned The Asian Wall Street Journal for three months and expelled two of the newspaper's reporters. Page 5.

■ West Germany is going to review its policy of not forcing refugees to return to Communist East Europe. Page 2.

■ William H. Rehnquist was sworn in as U.S. chief justice and Antonin Scalia joined the Supreme Court. Page 3.

■ Officials met again to try to resolve the cases of an American in Moscow and a Russian in New York, both accused as spies. Page 2.

BUSINESS/FINANCE

■ Nigeria's naira was devalued by two-thirds at a hard-currency auction. Page 17.

■ Funds for the poorest Third World countries from a World Bank affiliate are to rise 14 percent over three years. Page 17.

WEEKEND

■ Treasures of the Holy Land at New York's Metropolitan Museum. Pages 7 to 9.

SPECIAL REPORT

■ The major Nordic economies are excepted to have slower growth than average for industrial countries. A special financial report. Page 11.

U.S. Weighs New Anti-Drug Exercise

By Gerald M. Boyd
New York Times Service

WASHINGTON — The Reagan administration has begun discussions with Colombia, Ecuador and Peru about sending U.S. troops to aid in drug eradication there, according to Justice Department officials.

The officials, who termed the discussions "preliminary," said Thursday that they could lead to joint anti-drug exercises similar to one conducted since mid-July by the United States in Bolivia.

Meanwhile, President Ronald Reagan said Thursday that he favored broadening his anti-drug campaign to eradicating drugs being grown in other countries.

Mr. Reagan told the National Fraternal Congress of America, a group about 100 nonprofit, civic and community organizations, that he and his wife, Nancy, would meet Oct. 6 and 7 with U.S. ambassadors to countries whose cooperation was being sought to combat illegal drugs.

White House officials said they did not know how many ambassadors would attend the meeting, but the president indicated that they would be representatives to nations that face major problems involving drug production, consumption and transportation.

Justice Department officials said that sending U.S. troops would be discussed at a meeting next month in Mexico that Attorney General Edwin Meese 3d has scheduled with Latin American justice ministers.

At a news conference Thursday, Mr. Meese said that the administration was exploring the possibility of conducting joint exercises to eradicate drugs in some countries similar to the one in Bolivia. He declined, however, to identify those nations.

"I would hope that we would have similar types of operations tailored to the situation and the needs of other countries," he said.

A senior Justice Department official said that if an agreement could be reached for such U.S. participation, it would probably not begin before next year.

The joint exercise in Bolivia, which has involved about 100 U.S. troops, has been aimed at stopping the processing and transportation of cocaine.

Justice Department officials have said that the joint exercise had resulted in the elimination of cocaine processing facilities and has been disruptive to the industry.

Mr. Meese said that the United States had "developed a much greater capability to deal with drug trafficking beyond the shores of the United States."

"The whole cocaine production in Bolivia has been disrupted in a major way for the rest of the year," he said.

■ Drug Bill Before Senate

Karen Tumulty and Robert A. Rosenblatt of the Los Angeles Times reported:

The Senate, after days of intense negotiations on a huge anti-drug proposal, produced a compromise

See DRUG, Page 2

Summer Time Ends Sunday in Most of Europe

Reuters

BRUSSELS — Clocks in mainland Europe are to be put back one hour on Sunday in the annual switch from summer to standard time.

Throughout the Continent, time will effectively stand still for an hour at 1 A.M. Greenwich Mean Time on Sunday. So will many trains, to prevent them from arriving an hour ahead of schedule.

Britain and Ireland are to wait until Oct. 26 before adopting winter time.

Both countries have resisted pressure to switch back to standard time on the same day as the rest of Europe, saying that their continental neighbors abandon summer time too early.

The United States and Canada also are to put clocks back Oct. 26.

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Russians To Resume Chernobyl Operations

Reuters

MOSCOW — Five months after the world's worst nuclear accident, the Soviet Union is set to resume energy production at Chernobyl.

The Communist Party newspaper Pravda reported Friday that one of the four reactors at the Chernobyl nuclear power station in the Ukraine would begin operating within the next few days.

The plant has been shut down since April 26, when unauthorized experiments by workers led to a blast that tore open the fourth reactor, spewing radiation across Europe.

Pravda said the first and second units at the plant would start operating shortly. Repairs were continuing on the third unit adjoining the stricken fourth reactor.

"Within the next few days, the first reactor will be set in motion," the newspaper said in a report from Chernobyl.

Moscow, which was sharply criticized for its initial silence after the explosion, has since released a detailed report on its causes and effects, contributing to the world's general knowledge about the destructive potential of the atom.

There have been almost daily articles in the press on the progress of decontamination work at Chernobyl. Pravda quoted a member of the Kurchatov Atomic Institute as saying the fourth reactor was "behaving quietly" and air around the unit posed no radiation danger.

Pravda said last month that construction of a concrete tomb to encase the fourth reactor was proceeding too slowly. But on Friday it said only the roof remained to be built and that the project was expected to be finished within a matter of days.

The official death toll from Chernobyl stands at 31. More than 200 people were stricken with acute radiation sickness, while 135,000 residents of the Ukraine and Byelorussia were forced to evacuate their homes.

Chernobyl caused $2.9 billion in direct losses to the Soviet economy as well as setbacks to agricultural production in numerous European countries.

■ Warning on U.S. Plants

Senator John Glenn, Democrat of Ohio, releasing government findings that groundwater under many U.S. nuclear plants is highly contaminated, said the environmental problem was potentially as dangerous as the Chernobyl accident, The Associated Press reported from Washington.

According to a report by the General Accounting Office, the groundwater under many nuclear plants operated for the Department of Energy is contaminated at high levels with radioactive or chemical materials or both.

Reuters

Major Leonid Telyatnikov was featured in the Soviet newspaper Isvestia after being named a Hero of the Soviet Union for his work fighting the blaze that followed the explosion at the Chernobyl nuclear plant. Two of his colleagues, who died in the effort, were also honored.

Bonn to Weigh Expelling Some Refugees to East

By James M. Markham
New York Times Service

BONN — As part of its clampdown on an influx of immigrants, West Germany intends to review its two-decade-old practice of not requiring any refugee to return to Communist Europe, a senior minister announced Friday.

Disclosing the outcome Thursday of a multiparty discussion on the immigrant problem, Wolfgang Schäuble, minister of the chancellery, said that the government would consider treating some asylum-seekers from East Europe similarly to those from Third World nations. Thus, they would be subject to expulsion.

Although Mr. Schäuble declined to name any East European country, other sources said that Poles and Hungarians, who travel relatively freely to Western Europe, were the main focus of concern. Thousands of Poles are known to come to West Germany yearly, overstaying tourist visas or applying for political asylum. Many earn hard currency and return home.

Mr. Schäuble said that there were 170,000 East European refugees in West Germany who had not been granted political asylum, 100,000 of them Poles. He noted that, when the government decided to not expel any East European, in 1966, several Communist nations had stricter travel regulations.

The minister said that 400,000 Poles annually were granted visas for West Germany and recalled that Bonn decided last month to limit the validity of such visas from three months to one or two months. He said a decision on modifying the 1966 decision was expected by April.

The talks, which included the national and regional leaders of all parties except the Greens, appeared to have contributed to defusing the emotional immigrant question as an issue in national elections that will be held Jan. 25.

Last week, a breakthrough on the issue occurred when East Germany said that it would not permit passengers arriving at Schönefeld airport in East Berlin to travel further unless they had valid visas for their country of destination. Many asylum-seekers in West Germany have flown to East Berlin and traveled by subway to West Berlin.

West German officials have insisted that, in sharp contrast to past instances of East German concessions on such issues, Bonn did not promise any loans or financial deals. Some Western diplomats place the East German decision in the context of a distinctly improving climate in relations between the Soviet Union and West Germany, arguing that the Russians encouraged the East Germans to close the Schönefeld gap.

Others note that the immigrant flow was beginning to create problems for East Germany as well. Third World drug dealers, claiming to be politically persecuted, are known to have peddled their wares in East as well as West Berlin.

At the discussion, which was presided over by Chancellor Helmut Kohl, there was no consideration of amending and weakening West Germany's liberal asylum guarantee, which is enshrined in the constitution.

Franz Josef Strauss, the minister-president of Bavaria, has demanded a constitutional amendment, but it has has no chance of being approved by the required two-thirds of the parliament since both the opposition Social Democrats and the small Free Democratic Party are against such a move.

The gathering reportedly assented to the streamlining of the asylum procedure to weed out genuine political exiles from so-called "economic refugees."

The leadership of West Germany's Protestant and Catholic churches have told Germans recently that it is their Christian duty to care for the persecuted.

Informal Deadline on Daniloff Keeps U.S. and Soviet Talking

By Bernard Gwertzman
New York Times Service

UNITED NATIONS, New York — Secretary of State George P. Shultz has met for a third time this week with the Soviet foreign minister in efforts to resolve the cases of an American reporter in Moscow and a Russian in New York, both accused of espionage.

Shortly before the meeting began at the U.S. mission to the United Nations on Thursday, Mr. Shultz said he hoped an agreement could be achieved before the foreign minister, Eduard A. Shevardnadze, left Tuesday for Canada.

It was at least their third meeting this week as they try to shape a package to resolve the cases of Nicholas Daniloff, a reporter for U.S. News & World Report, and Gennadi F. Zakharov, a Soviet employee of the United Nations.

An accord could remove an obstacle to setting a date for a meeting between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader.

Earlier, a Soviet spokesman said the two sides were negotiating against an informal deadline of Tuesday in view of Mr. Shevardnadze's scheduled departure.

But Mr. Shultz said he would not be bound by a Tuesday deadline. He said: "Obviously, it is desirable to settle it as soon as possible if it can be settled on the right basis. But it may not be possible."

Mr. Shultz said that he and Mr. Shevardnadze had developed "a good personal capacity for talking to each other" and that he believed the foreign minister was trying to reach an accord.

"That does not mean we are going to succeed," Mr. Shultz added.

Earlier, at the United Nations, Gennadi I. Gerasimov, the Soviet Foreign Ministry spokesman, said the two sides were discussing "several options, all of them good."

"It is up to the American side, and to the Soviet side, too, to decide which is best for the benefit of both sides," Mr. Gerasimov said, adding that the charges against Mr. Daniloff and against Mr. Zakharov represented two "bumps" on the road to the summit meeting.

He said a third obstacle was an American order that 25 members of the Soviet Mission to the United Nations leave by Wednesday. The United States has accused them of being intelligence agents.

He said the Soviet Union had refused to accept the expulsion order in principle and had asked the United States to reconsider. Otherwise, Mr. Gerasimov said, there would be a fourth obstacle — a Soviet retaliation for the expulsion of the 25 Soviet mission members.

"We have this road to the summit," Mr. Gerasimov said. "It must be smooth. We must remove the bumps, maybe one by one."

Mr. Shultz said the United States would not back down on its limit of 218 personnel at the Soviet mission. Mr. Gerasimov said the Soviet Union was already well below the limit and added that of the 25 on the American list, six or seven had already left.

The two sides are reportedly considering a deal under which Mr. Daniloff would be allowed to return to the United States, after which Mr. Zakharov would be permitted to return to the Soviet Union and a number of Soviet dissidents would emigrate.

Regarding the issue of the informal deadline, Mr. Gerasimov said, "Well, Mr. Shultz is leaving for Washington and Mr. Shevardnadze is leaving for Ottawa on Sept. 30. There is a kind of deadline."

He said that if a formula could not be achieved by Tuesday, "both sides will be the worse for that."

"We don't want it to miss," he said. "We have several ideas. They are being discussed."

There are many complex aspects to the projected package deal, officials said. These include the question of whether Mr. Zakharov would have to stand trial, as insisted on earlier by the United States, or whether both he and Mr. Daniloff would be allowed to leave without going to court.

Under American law, Mr. Reagan could ask the court to dismiss the charges against Mr. Zakharov on grounds of national security.

There is also the question of the time interval between the return of Mr. Daniloff and that of Mr. Zakharov. The United States, insisting that Mr. Daniloff is a "hostage" and that Mr. Zakharov is "an accused spy," has said that it would not accept the assertion that the two cases were equivalent.

VETO: *Congress Likely to Override Reagan on Sanctions*

(Continued from Page 1)

am human, as human as a white person."

The legislation would ban all new U.S. investment and bank loans in South Africa. It would ban U.S. imports of South African uranium, coal, steel, textiles, military vehicles, agricultural products and food. It also would end landing rights for South African aircraft in the United States and bar airlines based in the United States from providing transportation to South Africa.

It was unclear Friday whether Mr. Reagan would fight hard to have his veto sustained.

"It depends on how close we are to the 34 votes," Mr. Speakes said. "It's very difficult to shift that many votes on senators who have already cast their vote in the other direction."

The president has argued that punitive sanctions would hurt countries bordering South Africa as well as the 24 million blacks in South Africa. Supporters of sanctions argue that they would put pressure on Pretoria to abandon apartheid, a legal system of racial segregation that denies voting rights and privileges to the black majority.

■ Johannesburg Hotel Blast

William Claiborne of The Washington Post reported from Johannesburg:

An explosion Friday at a hotel in central Johannesburg injured three persons and raised new fears of a terrorist campaign in white neighborhoods.

The explosion at the Devonshire Hotel, apparently from a bomb placed in a toilet, was the first attack on a commercial target in central Johannesburg since two explosions June 24, in a fast-food outlet and outside a hotel. Seventeen persons were wounded in those attacks.

The explosion Friday occurred as Del Kevan, a white who is director of housing for the black township of Soweto, announced that she would resign rather than confront "faceless terror." Her house in suburban Johannesburg was damaged by a bomb explosion on Wednesday.

Neither Friday's nor Wednesday's targets were close to a military or police installation, raising some fears that black nationalists are becoming increasingly willing to hit civilian targets.

Some political commentators have blamed the explosions on the African National Congress, the outlawed nationalist movement seeking to overthrow the white minority government in South Africa.

Meanwhile, Charles Sebe, whose brother, Lennox Sebe, is president of the ostensibly independent homeland of Ciskei, was reported to have been freed from prison Thursday night by a group of white men armed with machine guns.

At the same time, Major General Kwane Sebe, the son of Lennox Sebe, reportedly was abducted by a group of unidentified men.

Ciskei's director-general of communications, Headman Sontunzi, said he did not know if the two incidents were connected.

Charles Sebe, a former head of the Ciskei security forces, was serving a 12-year sentence after being convicted in 1984 of trying to break into one of jails he administered to free one of his deputies. The deputy had been arrested on the orders of Lennox Sebe, who is "president for life" of the so-called homeland.

FRANCE: *Minister Says Abdallah Will Be Tried Soon*

(Continued from Page 1)

case against him, a legal move that made it more difficult for the French to release him earlier.

In another development, two Iraqi students whose return to France was demanded by Moslem extremists holding French hostages in Lebanon, arrived here by plane from Baghdad on Friday.

The two students, Hamza al-Rubai and Hassan Kheireddin, both opponents of the Iraqi government, were expelled to Iraq in February after an earlier series of bombings, also seen as an effort to obtain Mr. Abdallah's release.

In retaliation for the expulsion, Shiite Moslem militants in Lebanon said they had "executed" Michel Seurat, one of four French hostages they said they were holding at the time, and threatened to kill the others if the two students did not return to France. Mr. Seurat's body has never been found.

The threat led the French to ask Iraq to give the students an amnesty and to allow them to return to France.

Mr. Chalandon said that Mr. Abdallah's pre-trial procedures should be finished "within a very short time."

"The government reiterates its position of firmness and its refusal of all negotiation with terrorists," Mr. Chalandon said.

Meanwhile, three of nine persons detained by police for questioning were released Friday. The others, including several suspected members of the far-left French terrorist group Direct Action, were still being held.

Agence France-Presse said that one of them, Marina Da Silva, was being questioned over her possible role in several bombing attacks claimed by Direct Action.

The agency said that a police search of her apartment here turned up a typewriter that had been used by the group in claiming several attacks, including an assault with a car bomb against the headquarters of the Organization of European Cooperation and Development on July 21. There were no casualties in that incident.

■ Prisoner Makes Statement

A Middle Eastern prisoner in a French jail has said that he does not know the group that is campaigning for his release, United Press International reported from Paris.

The prisoner, Anis Naccache, is one of three whose release is sought by the Committee for Solidarity with Arab and Middle Eastern Political Prisoners.

Mr. Naccache, serving a life sentence for an attempt to kill the late Shah of Iran's last prime minister, Shahpur Bakhtiar, said Thursday that he "condemns all blind terrorist attacks."

■ U.K. Jails Jordanian

A Jordanian doctor was jailed Friday for 25 years for his role in a Libyan-backed plot to set off terrorist bombs in Britain, The Associated Press reported from London. A Jordanian student tried as his accomplice was acquitted.

Dr. Rasmi Awad, 43, who is of Palestinian descent, was convicted after a court heard how a Libyan double agent helped police catch him in possession of four hand grenades.

NUCLEAR: *2 Accords Signed*

(Continued from Page 1)

neighbors on the safety of nuclear plants they plan to build.

Following an Israeli attack on an Iraqi reactor in June 1981, many developing countries also wanted a new treaty banning acts of war against civilian nuclear installations.

India and another group of developing countries are seeking binding obligations on the industrial world to supply poorer nations with nuclear technology.

Currently Canada is refusing to complete a reactor sold to India until that country agrees to sign the Nuclear Nonproliferation Treaty and allow the International Atomic Energy Agency to inspect its plants to ensure they are not being used for military ends.

During the conference and also at an earlier agency debate on Chernobyl, Western diplomats said they had sought to establish that the accident was due to design faults in the reactor type. Their aim was to prevent Western reactor designs being branded as unsafe as well, by implication.

The Soviet Union, these sources said, tried continually to present the Chernobyl accident as a universally valid example of the dangers inherent in nuclear power that the whole world must try to overcome. Until July, Moscow wanted this week's conference to discuss all known nuclear accidents.

"They presented Chernobyl as a contribution to human knowledge but we said it was an example of bad design," [illegible] Western delegate explained.

CIA: *Senate Acts to Limit Agency*

(Continued from Page 1)

ventions on chemical and biological warfare. Many of the issues raised are frequent items of criticism of the agency by conservatives in Congress.

The approach of calling on a team of outside experts was used in 1976, when a group that came to be called the "B Team" offered a view of Soviet intentions that was much starker than that of the CIA.

Mr. Helms said he believed the CIA resisted his amendments because the agency bridled at taking any direction from Congress.

"To my knowledge, Congress has never really given the CIA any direction as to what it expected," he said. "Now it has. I don't think we need a loose cannon like that rolling around the deck."

Mr. Helms said Mr. Casey told him on the telephone Tuesday that he would agree to the changes in the amendments, which the senator said had been worked out in negotiations between his staff, the Senate Intelligence Committee staff, and CIA officials.

But within hours, Mr. Helms said, Mr. Casey reversed himself and began lobbying to derail the amendments.

In an interview Thursday, Mr. Casey said he changed his mind after seeing the wording of the legislation.

"We had a long talk," Mr. Casey said. "When the papers came over, they were a little different than I understood."

Mr. Helms and Mr. Casey spoke again Wednesday morning. Both men agree that the tone was heated.

"I told him it was micromanagement of the agency, that's why I objected," Mr. Casey said.

"He was not pleased," Mr. Helms recalled. "He kept saying, 'Take out this, take out that.' I said: 'It's too late. You're asking me to unscramble an egg.' I told him I just couldn't change it, and I didn't want to."

DEATH NOTICE

Henry P. de Vries

died September 23, 1986, suddenly of a heart attack. Husband of Kathleen Costigan de Vries, father of Suzanne and Diane de Vries Ashley, grandfather of Matthew Ashley, brother of Marie Dusseubrock, Emma Gatzina, and Josephine Bakker. Burial will be private. Contributions in lieu of flowers to a charity to be designated later would be appreciated.

GULF: *Feint Expected*

(Continued from Page 1)

way, is swung aside each evening against pilings along the bank. This is apparently done to make the bridge a more difficult target for Iraqi artillery and air strikes.

The general said that despite the second bridge, he expected a major Iranian offensive to come in other sectors.

He said plausible possibilities include an attack in the marshlands bordering the Tigris River north of Iraq's second-largest city of Basra in the south or an attack focused somewhere in the central sector east of Baghdad. He seems to expect attacks in both sectors.

DRUG: *U.S. Weighs New Exercises*

(Continued from Page 1)

bill Thursday that was later introduced by Bob Dole, leader of the chamber's Republican majority.

Few details of the Senate legislation were available, but aides to the leadership of each party described it as a "base bill" that had been stripped of many controversial provisions, including Republican-backed proposals to require mandatory drug testing of government employees who hold sensitive jobs and to allow the death penalty to be imposed for some drug-related crimes.

Also omitted was a Democratic plan to establish a federal office to oversee combined government efforts against illegal narcotics.

However, under the agreement, all of those measures could be added to the bill as amendments. Last week, the House voted by large margins to attach to its anti-drug plan most of those provisions and others that could be seen as tough on drugs, including a relaxation of the so-called "exclusionary rule" against the use in court of illegally obtained evidence. The plan was later approved by the House.

However, the anti-drug fervor is causing uneasiness among some senators.

In a letter to Mr. Dole, Senator Daniel J. Evans of Washington and four other moderate Republicans — Lowell P. Weicker Jr. of Connecticut, Charles McC. Mathias Jr. of Maryland, John H. Chafee of Rhode Island and and Bob Packwood of Oregon — said introduction of those issues into the debate would produce an "unnecessary diversion from the task of crafting responsible, effective legislation against illegal drugs."

At a news conference, Mr. Evans said the election-year rush threatens to "trample the Constitution in the dust." He said some elements of the House bill and other anti-drug proposals could be passed this year, but that a major anti-drug program should not be enacted until Congress develops "a comprehensive strategy."

WORLD BRIEFS

Zairian Troops Are Sent to Aid Togo

BRUSSELS (Reuters) — Zaire, following France's lead, sent troops to Togo on Friday to back up the government of President Gnassingbé Eyadéma after an attempted coup there, the official Zaire news agency, Azap, said.

Azap, in a report monitored here by the Belgian news agency Belga, said 350 soldiers were sent to Togo by order of Zaire's Supreme Defense Council under President Mobutu Sese Seko. France announced Thursday that it was dispatching 250 soldiers to prop up General Eyadéma's government, which reported an attack on the president's barracks residence on Tuesday.

The Zairian news agency recalled that Togolese troops had been sent to Shaba in 1978 to help the Zaire government, and said the decision was taken as an expression of solidarity and of Zaire's mission in Africa. It said the troops would be placed at the disposal of the Togo government and that no time limit had been put on the duration of their stay.

U.S. to Launch Indonesian Satellite

JAKARTA (UPI) — Indonesia agreed Friday to launch its newest communications satellite aboard a U.S. Delta rocket for $53 million, triple the $18-million fee for launching from the space shuttle, a spokesman said.

The satellite had been scheduled to be launched from the space shuttle last June. But after the explosion of the shuttle Challenger in January the Reagan administration took the shuttle fleet out of the commercial satellite business and Indonesia began to look elsewhere.

Diplomatic sources said the Indonesians reluctantly agreed on the price increase after they were informed that the European Ariane rocket was booked years in advance.

The Associated Press

David Steel, left, head of Britain's Liberal Party, and David Owen, the Social Democrats' leader, meet on a TV show.

Steel Warns U.K. Liberals Over Vote

EASTBOURNE, England (Reuters) — The British Liberal Party leader, David Steel, told his party Friday that its decision to vote against nuclear weapons could damage the electoral chances of its centrist alliance with the Social Democrats.

Mr. Steel said at the party's annual conference he was frustrated by the vote Tuesday, against the wishes of the leadership, which put the Liberals at odds with the Social Democratic Party. Mr. Steel pledged to continue the Liberal-SPD Alliance, which holds 26 of the 650 seats in Parliament. His speech was seen as a bid to reassert his authority.

The alliance, which sees itself as a "third force" destined to break the traditional two-party mold of British politics, hopes to hold the balance of power in the general elections expected next year. The Liberal leader made it clear he was determined to go ahead with negotiations with his alliance partners on trying to retain support for Britain's Polaris nuclear missile while working toward a "European minimum nuclear deterrent."

Basque Sets Elections After Party Split

VITORIA, Spain (UPI) — José Antonio Ardanza, the chief minister of the Basque region, dissolved the regional parliament Friday and set a date for elections to resolve a crisis prompted by a split in his party.

He said the elections would be held Nov. 30, 14 months before the parliament's four-year term was due to expire. The elections will be the third since 1980, when the four northern Basque provinces were granted limited autonomy.

Mr. Ardanza's move was prompted by the defection of 11 of his Basque Nationalist Party's 32 deputies, which deprived him of a working majority in the 75-seat parliament. They said they would join a new party, The Basque Nationalists, which wants to negotiate greater autonomy from Madrid. In the general elections in June, the Basque Nationalist Party lost votes to the People's Union, a leftist party that has been linked to the militant Basque separatist group ETA.

46% in Israeli Poll Back Labor Party

TEL AVIV (Reuters) — If parliamentary elections were held in Israel now, the Labor Party would win 46.1 percent of the vote, while the right-wing Likud coalition would receive only 22.8 percent, according to a public opinion poll published Friday.

The poll was conducted for the independent daily newspaper Ha'aretz by the Public Opinion Research Institute. The Labor Party prime minister, Shimon Peres, is due to step down Oct. 14 in favor of Foreign Minister Yitzhak Shamir, the leader of Likud, under a power-sharing agreement that established the government of national unity.

U.S. Indicts Air Workers in Drug Case

MIAMI (AP) — Twenty-two Eastern Airlines workers and one employee of Mexicana Airlines were accused in a federal indictment Friday of using their jobs as cargo and baggage handlers to help smuggle cocaine into the United States.

The workers diverted shipments of cocaine "to preclude its seizure and thereby facilitate its unlawful entry" through Miami International Airport, the indictment alleges.

It accused five persons of being organizers and managers and charged them with operating a continuing criminal enterprise. That charge carries a possible maximum sentence of life in prison. Those five were identified as Ruy Martinez, Angel Borrero-Padilla, Gary Dukes and Alberto Perez, all present or former Eastern workers, and Francisco Bascuas, the Mexicana employee.

For the Record

Anatoli Karpov called a time-out Friday before the 20th game of the world chess championship in Leningrad. The game is to be played Monday. Mr. Karpov and the titleholder, Garri Kasparov, are tied in the match at nine and a half points apiece. *(AP)*

Sweden expelled a Czechoslovak Embassy official Friday for what it called "activities incompatible with his official mission." A government spokeswoman said the offical was not an accredited diplomat. *(Reuters)*

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Lana Harris/The Associated Press

Representative Dan Rostenkowski of Illinois, the Democratic chairman of the House Ways and Means Committee, indicating his plans after the House passed the tax bill.

Senators Predict Passage of Tax Bill

The Associated Press

WASHINGTON — Senate supporters of legislation to revise the U.S. tax system predicted Friday that the package would easily pass its final congressional test.

The leader of the Senate's Republican majority, Bob Dole of Kansas, said he hoped to begin debate later Friday on the measure, which was passed by the House, 292-136, on Thursday. Mr. Dole added that it might be possible to complete action on the legislation late Friday night.

"I hope we can do as well as the House," Mr. Dole said. "Probably the easiest vote would be 'no,'" he added, "but looking at tax policy for the future, the only vote is a 'yes' vote."

Following the House vote, Senator Bob Packwood of Oregon, the Republican chairman of the Senate Finance Committee, said the Senate would approve the package by "a margin equally as impressive."

The bill would cut individual and corporate tax rates and eliminate or reduce several deductions and exclusions.

U.S. House Passes 1987 Spending Bill

By Helen Dewar
Washington Post Service

WASHINGTON — The House has approved and sent to the Senate a $562-billion omnibus appropriations bill for next year. The vote on the bill, which the White House threatened Friday to veto, was 201-200.

The measure, the largest appropriation ever considered by Congress, was approved Thursday night. It must be signed into law by Wednesday to fund government agencies in fiscal 1987, which begins that day.

Among the most critical issues in the bill are previously approved House proposals for a nuclear-testing moratorium, continued adherence to SALT-2 arms limits, a ban on anti-satellite tests in space, a freeze on Strategic Defense Initiative spending and a delay in chemical weapons procurement.

[The chief White House spokesman, Larry Speakes, said Friday that the bill would tie the hands of President Ronald Reagan "at a very critical juncture in U.S.-Soviet relations," The Associated Press reported.

[It is "a bill that the president will veto if it is not straightened out in the Senate and in the conference" that will follow Senate action, Mr. Speakes said.]

[Mr. Speakes said the president "takes major exception" to restrictions that, in terms of dealing with Moscow, "literally make negotiations impossible."]

The bill is needed because Congress has not enacted any of its 13 regular appropriations bills for fiscal 1987.

The House measure also provoked veto threats by sharply reducing the president's overall funding requests for military and foreign aid and allocating more for many domestic programs than the president wants.

The measure provides $283.5 billion in new spending authority for the military next year, a reduction of nearly $34 billion from Mr. Reagan's request and a cut of about $4 billion from current funding. For military and economic foreign aid, it allocates $13 billion, a 10-percent cut from the current level and $2.5 billion less than Mr. Reagan requested.

In addition, the administration has a list of objections to domestic policy and funding provisions in the bill, ranging from "Buy American" restrictions for offshore oil drilling to a virtual cutoff of funds for the U.S. Civil Rights Commission, which critics accuse of undercutting civil rights laws.

The measure contains one thing the administration wants: $100 million in military and economic aid to anti-government rebels in Nicaragua, which both houses have already approved in a separate bill that has stalled short of enactment. Congressional negotiators are expected to use this as leverage on the administration to accept spending desired by Congress.

The way for passage of the House spending measure was cleared late Wednesday when the chairman of the Appropriations Committee, Jamie L. Whitten, Democrat of Mississippi, agreed to drop a provision that would have continued the federal revenue-sharing program at 75 percent of current funding levels, at a cost of $3.4 billion.

AMERICAN TOPICS

Long Memory Haunts Mississippi Budget

Mississippi's repudiation of $7 million in bonds in 1841 has come back to haunt the state since the legislature, earlier this year, authorized borrowing in the international market. "That debt is ancient history to us," State Treasurer Bill Cole said, but to European bankers "145 years is not old at all." He added, "Every one of them I talked to" asked about the default.

In 1838 Mississippi sold $5 million of $7 million in state bank bonds to Nicholas Biddle, the Philadelphia financier, who resold most of his purchase to European buyers. An anti-bond governor was elected in 1841 and the entire debt was repudiated. Repayment of the debt today, with interest, would cost $50 million. Given the state's budgetary difficulties, Governor Bill Allain said, "I don't think the people would consider it right now."

Short Takes

Singles nights are being featured by supermarkets on the East Coast to bring in new customers. The Georgetown branch of the Safeway chain in Washington has been listed by Cosmopolitan magazine as one of the most likely places in the country to find a date or a mate. Price Chopper, another chain, features disc jockeys and matchmaking games. The supermarkets time their singles nights in order not to antagonize other customers, usually between 7 P.M. and midnight, when married shoppers are generally home with their families.

Carbonated milk, which does not leave a mustache on the upper lip or a film on the tongue, is being developed by Dairy Research Inc., of Rosemont, Illinois. Its president, Anthony Luksas, says the main problem is that existing equipment carbonates water, not milk, which is perishable: "The systems we have are not designed to maintain the cleanliness needed for milk." While unflavored fizzy milk is good, he said, fruit-flavored or cola-flavored is better. "If we could just capture 2 or 3 percent of the carbonated beverage market," Mr. Luksas said, "we could wipe out the dairy surplus."

The Associated Press

OLDEST GORILLA DIES — Carolyn, the oldest gorilla in captivity, died Wednesday at 47 of natural causes at the Bronx Zoo in New York. She lived far longer than do gorillas in the wild, officials said.

Shorter Takes: Of the 655,191 lawyers in the United States, Washington has 28,399, or one for every 22 of the district's residents, compared with a nationwide ratio of one lawyer for every 360 people, according to the American Bar Foundation.

● A new Illinois law makes nongovernment paramilitary or guerrilla training a felony. Sponsors said the law is aimed at the Ku Klux Klan, the Aryan Nation and other extremist groups that have offered such training in the state.

Executives Who Keep A Finger on the Dial

Not all American executives have their secretaries do the dialing on outgoing telephone calls and the answering on incoming calls, The New York Times found in an informal survey.

"If you've got a finger, make your own calls," says John Weitz, a fashion designer. He answers his own phone, too, and if a secretary is putting the call through at the other end of the line, "I hang up."

"I'd rather have my assistant doing more important things than dialing my numbers," said E. John Rosenwald Jr., president of Bear, Stearns & Co. "And I answer my own phone."

Mr. Rosenwald said that many executives use assistants to make and take calls as a symbol of their own importance: "The more successful the guy, the more likely he is to answer himself. He's secure."

"If it was good enough for Learned Hand, it's good enough for me," says Robert B. von Mehren, once a law clerk for that late, renowned federal judge and now a partner in the Manhattan law firm of Debevoise & Plimpton. "It's a matter of courtesy — a disappearing one."

—ARTHUR HIGBEE

Rehnquist Becomes Chief Justice; Scalia Joins Court

The Associated Press

WASHINGTON — With President Ronald Reagan urging judicial restraint, William H. Rehnquist was sworn in Friday as the 16th chief justice of the United States, along with Antonin Scalia, his replacement on the Supreme Court.

In the first of two ceremonies three hours apart, Justice Rehnquist and Judge Scalia received sustained standing ovations in the East Room of the White House as the retiring chief justice, Warren E. Burger, administered an oath, given to all federal employees, that called on both men to swear allegiance to the Constitution.

In the second oath, the centerpiece of a later ceremony at the Supreme Court, Justice Rehnquist became chief justice and Judge Scalia an associate justice.

That oath called upon both men to administer justice impartially. Justice Burger gave that oath to Justice Rehnquist, and Justice Rehnquist then administered it to Judge Scalia, the 103d person to sit on the court.

At the White House ceremony, Mr. Reagan said the Constitution's framers "agreed on the importance of judicial restraint," adding that he had picked Justice Rehnquist and Judge Scalia "with this principle very much in mind."

"The issue is not liberal or conservative," Mr. Reagan said. "The question is, will we have government by the people?"

After taking the oath, Justice Rehnquist, 61, replied, "I pray that God will grant me the patience, the wisdom and the fortitude to worthily follow in the footsteps of my predecessors."

■ No Immediate Shift Seen

Stuart Taylor Jr. of The New York Times reported from Washington:

The Supreme Court's internal chemistry will doubtless be affected by the changes in its membership, scholars agree, but its ideological balance is unlikely to shift dramatically unless another aging member steps down.

While public attention has focused on the elevation of Justice Rehnquist to 16th chief justice, the more important new ingredient in the court's chemistry, many experts agree, is Judge Scalia's appointment as associate justice.

In an informal talk in July to a group of federal judges, Associate Justice Harry A. Blackmun said of Judge Scalia: "I'm told, and I don't know this from experience, that he is most dangerous when he is most ingratiating, and that he has a great ability to persuade one to his point of view. Well, we'll see."

By all accounts, Justice Scalia will bring to the court an uncommonly potent intellect and a winning personality, making him a formidable ally for Justice Rehnquist.

Both men are fervent conservatives who share the Reagan administration's views of almost all politically charged issues, from affirmative action and abortion to prayer in schools.

Among the issues that the reconstituted court will face in the term beginning Oct. 6 are state-mandated teaching of "creation science" as a counterweight to the teaching of evolution, racial disparities in death sentencing and, once again, affirmative action in the workplace.

The reason no immediate shift in the court's direction is expected is that, excepting Justice Rehnquist, Justice Burger has long been the court's most consistent conservative.

"In the vast bulk of the ideologically charged cases, Judge Scalia's vote will be a functional substitute for Chief Justice Burger's vote, so the outcomes of cases should not be affected," said Professor Burt Neuborne of New York University Law School.

"But there's more to the Supreme Court than short-term voting patterns," he added. "When you add a judge of Scalia's intellect and vigor to the court, you add a powerful voice for his convictions, and I suspect that over time he may influence the votes of the middle of the court."

Justice Scalia's writings as a law professor, before Mr. Reagan named him to the U.S. Court of Appeals for the District of Columbia Circuit, suggest he will join with Justice Rehnquist in seeking more leeway for governments to assist parochial schools and other religious organizations.

The court's direction could shift dramatically to the right if Mr. Reagan got a chance to replace with another conservative any of the court's four oldest members. Justice Blackmun is 77, Justice Lewis F. Powell Jr. 79, and Justices William J. Brennan Jr. and Thurgood Marshall, who hold down the court's liberal wing, 80 and 78 respectively.

Together with Justice John Paul Stevens, 66, they have been the five supporters of broad abortion rights, for example. If any was replaced by an opponent of legal abortion, it might open the way for the court to restrict or even possibly to abandon its protection of abortion.

Reuters-UPI

William H. Rehnquist

Camera Press

Antonin Scalia

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Literacy in U.S. — Wide but Shallow

Study Says Young Adults Read 'But Are Not Very Literate'

By Lawrence Feinberg
Washington Post Service

WASHINGTON — Basic illiteracy among young adults is far less widespread than commonly reported, according to a survey financed by the U.S. government.

However, the study, released Wednesday, showed that the deficiencies of young adults in more complex forms of literacy, such as solving problems and analyzing information, are severe.

Only 6 percent of Americans in their early 20s read below fourth-grade level, around age 9, the National Assessment of Educational Progress said in its study. Only 5 percent in this same age group cannot perform "routine and uncomplicated tasks," such as reading a short sports story in a newspaper or completing a job application.

But the survey found that young adults performed far worse on more complicated tasks such as using a street map, which only 43 percent could decipher, or presenting the main argument in a newspaper column, which only 37 percent could do.

"The results are much better than expected," said Gregory Anrig, president of the Educational Testing Service, which conducted the assessment under a $2-million contract from the Education Department.

"The country has reached a 95-percent level of literacy," he said. "No other country has achieved that. There is still a problem for the remaining 5 percent."

But Mr. Anrig, a former education commissioner in Massachusetts, said that the real need is "to work with the much larger proportion of the population that already can read but doesn't read well enough to cope with this technological society."

Despite "scare figures," he said, "there is not a huge amount of illiteracy in the United States," adding, "We've shot for the minimum, and we're achieving that. Now let's move it up."

The report was released during a nationwide campaign sponsored by business groups and two television networks to combat adult illiteracy. Many of their materials, based on a 1975 study, estimated the number of adult illiterates at 23 million or at 13 percent to 15 percent of the adult population.

In a statement, Education Secretary William J. Bennett said, "The United States is not awash in illiteracy, but most of our young people are not very literate." He added, "For the $263 billion America spent on education last year, we should do better than this."

The report, called "Literacy: Profiles of America's Young Adults," was based on a survey last year of 3,600 people between the ages of 21 and 25.

It found that virtually 100 percent could sign their name on a Social Security card and locate the expiration date on a driver's license. But they performed much worse on tests of two other kinds of literacy, called document literacy and quantitative literacy.

For example, only 20 percent could tell from a bus schedule how long they must wait for a bus. Fewer than 40 percent could calculate change they would be owed when ordering a simple meal from a menu.

The study found that 18 percent of black young adults read below the fourth-grade average, compared with 4 percent of whites and 8 percent of Hispanics.

Robertson Cites General's Statement

By Robert Shogan
Los Angeles Times Service

WASHINGTON — The Reverend Pat Robertson, the television evangelist, has released a letter from a retired U.S. general saying that the general "has no recollection" of any special request made to help Mr. Robertson avoid combat during the Korean War.

The general, Lemuel C. Shepherd, was the commander of the U.S. Marine Corps in the Pacific at the time. He was responding to a letter from Mr. Robertson asking for help in rebutting allegations that Mr. Robertson had used the influence of his father, the late A. Willis Robertson, a U.S. senator from Virginia, to avoid combat when he was a marine second lieutenant.

The charges have stirred a controversy about Mr. Robertson's background as he is soliciting support for a race for the Republican presidential nomination.

Although General Shepherd, 90, denied in the letter that influence had been used to keep Mr. Robertson out of combat, he did not shed any light on the question of whether Mr. Robertson actually served in combat, as he publicly claims.

Department of Defense officials have said that Mr. Robertson's military records reflect his duty in Korea but do not show actual combat service.

General Shepherd's letter was released Thursday by Americans for Robertson, the evangelist's campaign organization, in response to reports that several of Mr. Robertson's colleagues in the Marine Corps believed he had used political influence in 1951 to keep off the front lines.

One of the former servicemen, John Gearhart, a Los Angeles manufacturer's representative, has said that he was with Mr. Robertson when he called his parents from a military post in Japan shortly before they were to be shipped to Korea. Subsequently, he said, they were reassigned to duty in Japan, and he thought that Mr. Robertson's father had intervened on his behalf.

Another former marine, Paul N. McCloskey, a former Republican U.S. representative from California, said that Mr. Robertson had spoken frankly about asking his father to help keep him out of combat.

Mr. Robertson, in his Sept. 6 letter to General Shepherd, said the charges were "obviously a slander against the United States Marine Corps, against my distinguished father, A. Willis Robertson, and against me."

In his reply, General Shepherd confirmed that Mr. Robertson's first assignment in the Far East was to a rehabilitation center at Camp Otsu, Japan, an assignment that General Shepherd characterized as not unusual.

General Shepherd added, "I have no recollection of receiving any communication from the commandant of the Marine Corps, or any of his staff, from the secretary of the navy, from his staff or from Senator Robertson himself, concerning your assignment or any aspect thereof."

U.S. Says Hispanic Population to Double by 2020

Los Angeles Times Service

LOS ANGELES — The Hispanic population of the United States will more than double by the year 2020 and will rise from the current 7 percent of the national population to 19 percent by 2080, according to projections by the U.S. Bureau of the Census.

William Matney, a bureau spokesman in Washington, said Thursday that the bureau's first long-range projections of what it terms "Spanish origin-Hispanic" population show a growth from the current 17.3 million Hispanics to 36.5 million in 2020 and more than 51 million in 2046.

At the same time, he said, the percentage of Hispanics will be projected to rise to 12 percent nationally in 2020, 16 percent in 2050 and 19 percent in 2080. It was 6.4 percent at the time of the last census in 1980.

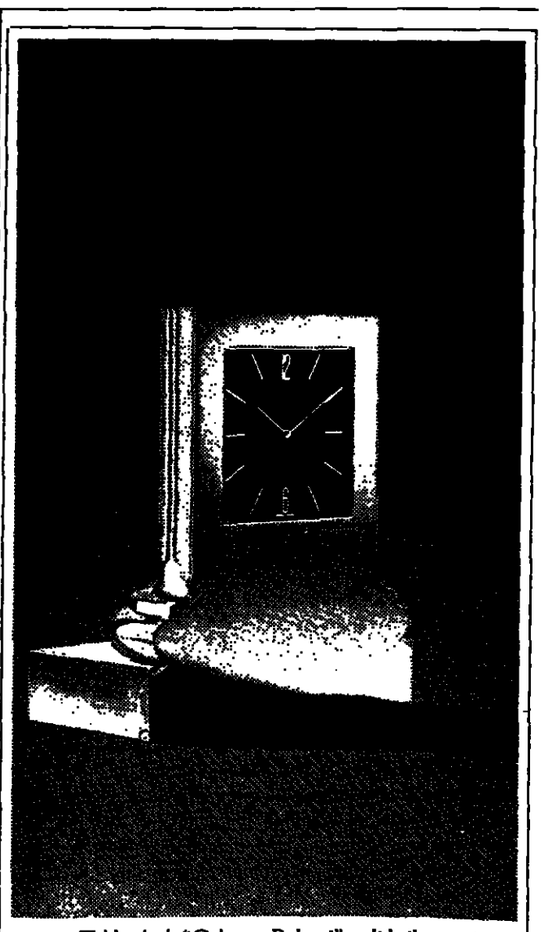
Mr. Matney said, "The white, non-Hispanic population in the United States may peak by 2020."

Mr. Matney said the projections represented a "conservative" scenario of what the bureau's experts believe was likely to happen as the result of fertility, immigration and the death rate.

In Sacramento, the California capital, Mary Heim, research manager for the population research unit in the state Department of Finance, said projections of population trends so far into the future should be viewed with caution.

For instance, she said, future changes in the immigration law or in practices of policing immigration could cause broad changes.

She also said the census bureau has allowed people to choose which ethnic group they want to identify with. If that policy changes to let the census taker designate the ethnic group, the figures could be altered sharply, she said.



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OPINION

Fantasies in Congress

Truly, triply fantastic: That is about the only way to describe the way the 99th U.S. Congress is coming up to the finish line. With adjournment only days away, it has not yet passed the fiscal measures needed to run the government.

Votes are imminent on three fundamental bills. All are muddled, unsound, fantastic. And it is too late to do anything about it for the 1987 budget. The only hope is that if voters understand the fraud and fantasy, they will be sufficiently disgusted to compel the next Congress to sweep out the stable.

The starting point was painful action to cut the immense Reagan budget deficits. But a year ago, Congress came under the spell of Senator Phil Gramm's fantasy — a device to balance the budget automatically. Congress gladly adopted the bill he fashioned, along with Senators Warren Rudman and Ernest Hollings, to eliminate the deficit in five annual steps. The Supreme Court then invalidated the automatic mechanism, so it fell to Congress again to make difficult choices. Congress ducked, leaving three rings of fantasy and fraud.

Misappropriation. Fiscal year 1987 starts on Wednesday. But not one of the 13 bills appropriating funds for various agencies will have cleared both houses by then. What is Congress's plan? To wrap all 13 into a single $562-billion monster. No president should be forced to swallow all that at once. Such irresponsible packaging only reinforces the case for line-item veto power, a bad idea presidents tend to favor.

So gigantic a package masks dispute over the contents. The president wants more money for defense and less for social programs. Will he veto this mega-appropriation? Will the government have to shut down Wednesday for lack of funds while the package is refashioned? If so, do the members of Congress care if they are starting to look like frauds, or fools?

Misrepresentation. Because many programs have permanent authorization rather than yearly appropriations, their legislative charters must be reconciled with overall budget targets — for example, by adjusting the rules for Medicare or by imposing new fees and taxes. This year's reconciliation requires finding $15 billion. Members of both parties admit they're doing so with "blue smoke and mirrors."

The ruses include misrepresenting the figures for 1987 by reassigning some 1988 revenues and by spending some 1987 funds quickly, so they will count against 1986. Not one penny will be saved.

Outside budget analysts estimate that the whole exercise rests on deceptive calculations. Congress pretends that it will hold the deficit to $154 billion. When fiscal 1987 ends, the analysts say, it may be at least $20 billion larger. And that does not count what Congress may add during the year.

Posturing, and worse. In the third big piece of fiscal legislation still unpassed, Congress must once again raise the ceiling on the $2-trillion national debt. This is an annual charade. The members rattle and thunder about all that Treasury borrowing — which they have made necessary with the deficit they have authorized.

The only purpose is posturing, but this time Mr. Gramm would make the debt ceiling bill even worse, with an amendment to get around the Supreme Court's ruling. His new scheme, approved by the Senate but sensibly blocked in the House, surrenders final say over spending cuts to meet deficit targets to the president's budget director. That would create another device for Congress to duck its responsibility.

The primary blame for this irresponsibility belongs to President Ronald Reagan. It was he who piped the government into one $200-billion deficit after another. It is he who refuses to consider the only effective remedies: reducing the defense buildup, trimming Social Security and other entitlement programs and increasing taxes.

But the blame for playing games belongs to Congress. With two years left, the president will go away long before the deficits do. The taxpayer will be left to shoulder the burden. With all its present fantasy and fraud, Congress makes it even heavier.

— THE NEW YORK TIMES.

Aid to Higher Education

In the budget he sent to Congress in February, President Reagan proposed that federal aid to higher education be cut by 40 percent in the next five years. Congress has resisted: the two houses have produced a five-year extension of the Higher Education Act that would keep aid about as it is. That is the right thing to do.

The Higher Education Act is one of President Lyndon Johnson's legacies. The programs for the poor were passed in 1965; in 1978 they were extended up into the middle class. That greatly expanded their constituency — about a third of America's 12 million college students now receive some form of aid — and multiplied their cost, now about $9 billion a year.

The colleges say this aid is not enough, that considerable unmet need remains. But the administration contends that the programs have grown into an indiscriminate entitlement in which enormous amounts of money go to unneedy students, frivolous courses and suspect schools.

The bill seeks to respond to both criticisms. The basic programs consist of grants to the lowest-income students supplemented by subsidized loans to both low-income and middle-class students. The bill would raise grant amounts in an effort to catch up with tuition and keep low-income students from crippling themselves with debt. At the same time it would raise the amount that students can borrow.

But while liberalizing the programs in these respects, it would tighten them in others. For the first time, all loan as well as grant applicants would have to pass a needs test. It would be harder for students to declare themselves independent of their parents, thereby shielding the parents from having to pay. States would be made to bear part of the cost when students default on loans, giving them an incentive to collect.

Aid could no longer go, as a surprising amount of it now does, to students without high school diplomas who are enrolled in proprietary schools that have no remedial programs. Nor could aid go beyond the sophomore year to students with less than C averages who are not making satisfactory progress (as defined by the college) toward a degree.

A questionable provision would begin extending aid to students enrolled less than half time; they simply would have to be seeking a degree. Half time is the cutoff now, and public and community colleges say this leaves out many struggling older students who have families and jobs and only money or time enough to take one course at a time. The extension will require careful policing. On the other hand, this provision is much in the spirit of these underrated programs.

If aid to higher education is now in part a subsidy of the middle class, it also remains one of the great equalizing devices in American society. That is the overriding reason why this sensible bill represents an important accomplishment.

— THE WASHINGTON POST.

Volcker's Blunt Talk

The question is whether the United States can bring its trade deficit down without a worldwide recession. Everybody knows that the trade deficit is far too large for safety and cannot be allowed to continue. But to swing the American deficit and other countries' surpluses into balance while maintaining everybody's growth is going to be a very tricky operation. It can be done only with vigorous and intelligent cooperation by those countries with surpluses, meaning, above all, Japan and West Germany. That was the central point of Paul Volcker's testimony Wednesday before a House of Representatives subcommittee.

The process of adjustment is already well under way. The exchange rate of the dollar has dropped rapidly over the past 18 months, making American exports much cheaper abroad and foreign imports more expensive in the United States. Mr. Volcker offered the view that exchange rates are now "reasonably close" to the level at which trade can balance. Since he is chairman of the Federal Reserve Board, apprehensive Europeans and Asians can take that statement as authoritative assurance that, contrary to their frequently expressed fears, the United States does not have a plan to hammer them out of American markets with continuing devaluations of the dollar. But even at the dollar's present level, they are going to find it much harder to compete with American producers than has been the case for the past five years.

The West Germans, in particular, seem to misunderstand the message that the United States is trying to deliver. At current exchange rates, the export-led economies of Europe and Asia are at risk. Japan and West Germany are not the only export-led economies, but they are by far the largest and most influential. As their appreciating currencies make the world's largest export market less easily accessible to them, they are going to have to look elsewhere for the sources of their future growth. Mr. Volcker this week — like James Baker, the secretary of the Treasury, last week — has tried to tell them that they are coming into a period in which they will have to rely on their own internal resources to keep their economies, and the world's, expanding. And they are going to have to respond quickly. Otherwise, a recession will come.

Mr. Volcker also has a message for Americans. Devaluation itself will not stabilize their economy. By itself, it will only make them poorer and threaten inflation. Productivity needs to come up, and production costs, including wages, need to stay down. For four years, Americans have been consuming more than they produce and living on the national credit card. Now they have to consume less, and to get their exports and investment up. Mr. Volcker's view is widely held within the administration. But characteristically he is expressing it both with precision and candor.

— THE WASHINGTON POST.

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The Free-Trade Myth Is Ruining America

By Lane Kirkland

The writer is president of the American Federation of Labor and Congress of Industrial Organizations.

WASHINGTON — America faces an economic crisis caused by the Reagan administration's infatuation with the long dead theory of "free trade." To deal with that crisis, the Senate must act quickly on trade reform legislation passed last May by the House of Representatives.

Scores of industries, thousands of companies and millions of workers are drowning under a flood of imports generated by foreign government initiatives and Washington's neglect. The effects are felt in every sector of the economy through plant closings, farm foreclosures, bankruptcies and recession-level unemployment.

Yet President Reagan insists that "free trade and open markets generate more jobs, a more productive use of a nation's resources, more rapid innovation and high standards of living both for this nation and its trading partners." But free trade does not exist, except as an empty slogan. Not a product, commodity or service, including money, moves across any border except America's under free trade conditions.

Much of the world disavows a market economy and practices the most brutal form of protectionism: the protection of mercantile power and profit. Most trade is not open but directed — directed by governments in support of national policies and by multinational corporations that move labor-intensive production to countries with the most exploitable work forces.

There are no open markets among America's trade partners in the European Community, nor in Japan, Brazil, Taiwan, South Korea or Mexico — not unless "free and open markets" means import quotas, discriminatory performance and inspection requirements, export subsidies and incentives, industrial targeting programs, controlled currency exchange rates, and barter agreements.

There is no sign of the jobs that "free trade" supposedly generates. The Labor Department reports that from 1979 through 1984, 11.5 million workers lost jobs because of plant closings or layoffs due to slack work.

Living standards have not risen. Real average weekly earnings for production workers fell by 9 percent from 1977 through 1985. Nearly half the workers displaced from manufacturing who were lucky enough to find jobs were forced to accept lower pay and reduced living standards.

Their loss of jobs has not brought gains to workers overseas. Too many less developed nations enjoy booms because workers are paid rock-bottom subsistence wages, are forbidden to organize and bargain collectively and have no health and safety protection, no pensions, no security.

If "free trade" benefits anyone, it is the manipulators who depress wages to inflate profits. They are absolved of guilt by the "free trade" evangelists who say that "overpaid" American workers have "priced themselves out of the market."

What is going overseas are not only jobs that sustain millions of families but the industrial capacity that sustains the United States. Company after company is no longer a producer but a mere relabeler and distributor of imports. And foreign label goods sold across the United States cost no less than products once made locally. The only difference is that none of the money is returned as wages and payroll taxes to the communities where it is spent.

It is wrong to label the Senate trade bill as "protectionist." It is a response to virulent protectionism, and its goal is to expand trade by making it a two-way street conducted on even terms. President Reagan promises to veto it. His supporters fear "retaliation." They argue that the United States has no moral right to require trading partners to adopt humane labor standards. If other nations treat workers like dirt, they say, America must accept "cultural differences." And if U.S. corporations make fat profits because of those differences, well, that is what "free trade" is about.

Accept that and you must accept the proposition that it is fair to allow other countries, aided by business and government, to slash U.S. standards of living and human decency to the level that exploiters growing rich off the free-trade myth praise as "competitive." Such thinking must be resisted. The labor movement's historic mission is not to lower American standards but to raise them.

The New York Times.

Dropping Pinochet Could Boost U.S. Stock in Europe

By Jean-François Lisee

WASHINGTON — President Reagan is worried about his place in history. He has one eye on Geneva and another on Managua as places where he might leave his mark, but he is missing an important opportunity to propel his reputation into the next millennium.

The angle sweeps from Santiago to the capitals of Western Europe. It is an opening that could give the West a dramatic ideological edge and do more to hurt communism than a million "contras."

Part of this opportunity lies in Western Europe. The rupture, in early 1984, of the French "union of the left" ended a century of cooperation between the democratic left and its totalitarian cousins — in this case, between the Socialists and the Communist Party. Similar changes have taken place on the left in Spain and Portugal and may soon be repeated in Britain and Italy. This means that a large, active segment of the West European "democratic left" will no longer compromise its democratic beliefs. It is also increasingly interested in finding new allies on the international scene.

Europeans do not, however, see much that recommends itself in President Reagan's foreign policies. True, America played a role in ousting dictators from the Philippines and Haiti, but Washington's conduct in both cases looked like so much damage control. From Europe, Grenada looked like a standard imperialist crackdown, and the promotion of democracy in El Salvador still seems tactically motivated. Washington is seen to be pursuing the same old policy toward the Third World, no matter what the local dictator looks like.

Mr. Reagan has been sitting on this fence, apparently unaware that the makings of a political realignment lie waiting in Europe. He ought to see that Europeans are ripe for a signal from Washington.

General Augusto Pinochet is the most brutal dictator the Americas have had in a long time. Washington surely had a hand in helping install him in 1973 — and that, together with the general's repressive rule, has given Moscow one of its best propaganda tools. The State Department knows this. A former assistant secretary of state for inter-American affairs, Langhorne Motley, said of his meeting with General Pinochet in February 1985: "I told him that if he were writing the script for the Communists, he couldn't write it better than he was doing." The situation in Chile today offers an opportunity to take that script away from the Communists.

How? Options are few. Not only is the general willing to extend his control of the country — personally or by proxy — to the turn of the century, but many observers say that he would be able to do so, thanks to a divided, if vocal, opposition. The Reagan administration is

increasingly annoyed by the dictator's brutality, and it has dug into its bag of pressure tactics. But the Chilean economy has not proved quite weak enough, or the army quite divided enough, and it is unlikely the United States will get the general to leave voluntarily.

Yet there are other possibilities. Washington has been propping up General Pinochet for 13 years. Why not now remove some of the props? The Reagan administration could make it known that it would not oppose his replacement by a pro-American military junta. Such a transitional government would be expected to bar local Marxist parties from the first election, giving the democratic right and left time to gain precious ground.

With such steps, the United States would implicate itself in the removal of another dictator in its own backyard. This would put other Reagan initiatives in a new light: Grenada, the Philippines and Haiti would appear to be so many dominoes falling on the way to Santiago. And it would lay the foundations for a new alliance between West European and U.S. opinion.

The surge of Marxism — and its attraction for democrats, particularly in Europe — has been the major ideological event of this century. Mr. Reagan has the opportunity to bring this chapter to an end and open a new one, while ensuring that his name gets good play in the history books.

The writer, a correspondent for the Montreal daily La Presse and a contributor to French publications, wrote this for The New York Times.

Robertson's Revival Tent Won't Hold All Americans

By A. James Rudin

NEW YORK — The Reverend Pat Robertson's talk of seeking the Republican presidential nomination has summoned up half-forgotten childhood memories. Like Mr. Robertson, I was reared in Virginia, and like many teen-agers of the early 1950s, I attended several Christian revival meetings with my friends.

They were held in a huge tent a few miles south of my hometown, Alexandria. I believe those meetings still provide a clue to understanding the people who form the core of Mr. Robertson's political support.

For some of my classmates, attending a revival and being religiously "born again" was a normative rite of passage. For the rest of us, especially for a Jew, it was an opportunity for socializing akin, say, to attending a high school football game.

The hot, steaming meetings were well attended. The audience sat on hard chairs under naked light bulbs as sweating preachers delivered endless sermons. Today, I watch Mr. Robertson and other evangelists on television, but TV cannot convey the intense emotions of a revival meeting.

At such meetings, the preacher always ended his sermon with a call to affirm one's belief in Jesus. I remember one hot night when the audience was slow to respond until the preacher began listing evils that allegedly had overtaken the America of 1951: loss of states' rights, sexual promiscuity, domination by labor unions, Communist infiltration in the government — and too many foreigners in our midst. At the end of his litany, he cried out: "Let's take back our America! Let's take it back from those who took it from us! This is our America, not theirs! Our America!"

The cheering crowd rose to its feet and started singing "The Star-Spangled Banner." People hugged and kissed, and I saw tears. There was a distinct sense of loss and of anger as the crowd kept shouting, "It's our America!" The level of feeling was higher than at most revival meetings.

Mr. Robertson's candidacy is certain to stir up similar emotions. The sense of loss and anger felt by the "tent people" back then is just as real today. But now it is expressed in such ways as being "pro-family." There are attempts to place "scientific creationism" and organized prayer in the public schools. Some people would make Christianity the legally established religion of the land.

Support for the constitutional doctrine of original intent, a central part of Mr. Robertson's platform, can be explained partly by the religious-political cry, "It's our America!" That cry needs to be answered by those who believe it is "our America" too.

Unfortunately, Mr. Robertson and others who share his views have appropriated the public use of such core values as "honesty," "tradition," "decency" and "morality." These values will play a major role in the 1988 campaign and should not remain the monopoly of one candidate or one political party.

But there are other values Mr. Robertson has not addressed. He and other candidates must be pressed to support religious and cultural pluralism; economic, racial and sexual justice for all; the civil liberties guaranteed by the Bill of Rights; separation of church and state, and the co-equal status of the judiciary with the executive and legislative branches.

If Mr. Robertson wants to be a serious candidate, he will have to reach beyond his limited constituency. Other candidates will have to respond to the political alienation of Mr. Robertson's "tent people." The next U.S. president must be able to pitch a national tent large enough for everyone to enter in equality.

The writer, a rabbi, is the American Jewish Committee's national interreligious affairs director. He contributed this comment to The New York Times.

The Vatican: Cutting Off Vital Dissent

By Richard N. Goodwin

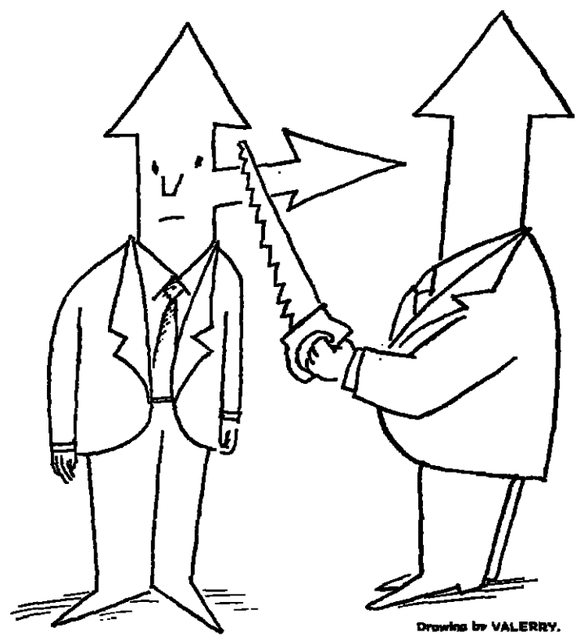
LOS ANGELES — In the fall of 1967, traveling through the Amazon Basin with Robert Kennedy, we turned the curve of a small tributary to glimpse three large, ruddy-faced Roman Catholic missionaries — unmistakably Americans — waving from the riverbank. What, we asked, had brought them to this endless, sparsely populated forest? "Pope John," they answered. And we needed no further explanation.

That great man, whose picture still adorns walls in the huts of impoverished natives throughout the Andean plateau, had opened the arms of his ancient church to the manifold sins and injustices of the modern world. No person, however destitute his condition or exotic his belief, was beyond the possibilities of earthly justice or of eternal salvation.

The work of Pope John XXIII was crowned by the Second Vatican Council. The faithful were to be allowed, even encouraged, to resume the historic purification of church doctrine: the need, through debate and discussion, to adapt human understanding of divine will when confronted by new forms of evil.

Today, 20 years later, the doors to progress are closing. Father Charles Curran has been stripped of his license to teach theology at Catholic University of America because he dared offer respectful alternatives to some ideas asserted by Rome. An 11-year-old girl has been expelled from parochial school for voicing support of abortion. And, most egregiously, the archbishop of New York has banned from Catholic platforms those public officials who, by word or actions, dissent from current credos.

This represents the beginning of an effort by Pope John Paul II to reverse the work of his predecessor.



Drawing by VALERRY.

Meanwhile, the Protestant religious right is finding an unexpected ally among those Catholic authorities newly determined to suppress even pious and submissive disagreement.

"Submission of intellect and will" to church teachings is required of the faithful, writes Cardinal Joseph Ratzinger, the Vatican's official caretaker of orthodoxy. And obedience is owed, not merely to established dogma, infallible pronouncements or articles of faith, but also to all the voluminous, far-ranging opinions from "approved" theologians.

So sweeping a repression of ideas is not unprecedented. But neither is it sanctified by the history of a church that often, and wisely, has revised its moral teachings.

For Americans, however, the most urgent issues are not theological but political. It is no accident that repressive movements that seek sanction in the divine are usually associated with rightist ideology. By making sexual morality or forms of worship the testing grounds of religious belief, they force the far greater problems of social justice and compassionate beliefs to the margins of public concern. Thus, poverty becomes less important than premarital sex; the arms race, with its threat to all life, less significant than abortion.

The Catholic authorities act from the highest beliefs. But they are wrong. American Catholics should not be forced to choose between their relationship with God and their obligations as citizens to serve the wants of those who do not share their beliefs. Democracy and freedom are also moral principles, deeply rooted in centuries of church history.

Every American should resist any effort to import the particulars of any creed into the arena of democratic debate. To enlist God in support of mortal policy is to supplant reasoned discourse with unanswerable dogma.

The Los Angeles Times.

Nakasone's Blunder, In Context

By Hobart Rowen

WASHINGTON — One American that Prime Minister Yasuhiro Nakasone of Japan admired was the late John Wayne.

Last year, during an interview in New York, Mr. Nakasone said that one reason he was such a fan of his friend "Ron" Reagan "is that he reminds me of John Wayne."

But Mr. Nakasone has made a blunder that John Wayne never committed in any Western movie script. He has shot himself in the foot, and the wound is serious.

By suggesting in a speech to young members of his party that American achievements are being held back by the low intellectual level and slow educational progress of blacks, Hispanics and other nonwhite groups, Mr. Nakasone has done more harm to Japanese-American relationships than all the Japan-bashing on Capitol Hill these past few years.

"Japan is now a highly educated and fairly intelligent society," Mr. Nakasone told a meeting of his ruling party, "much more so than America on the average. In America, there are quite a few black people, Puerto Ricans and Mexicans. On the average, it is still very low."

He added, "In America even now, there are many black people who do not know their letters."

There can be no doubt that the literacy level in Japan is very high, or that its educational system is superb; this probably has been a factor in generating Japan's enormous trade surpluses. The United States should do its best to adopt some features of the Japanese school system. One must admit, sadly, that Mr. Nakasone's insensitive remarks are secretly cheered by racist Americans.

But Mr. Nakasone unintentionally exposed an unattractive side of the Japanese mentality: Japan is an exclusionary society that tends to lump foreigners together as less worthwhile than the homogeneous Japanese.

James Fallows, in the current issue of The Atlantic, writes of his distress at the discovery, in the first few months of an assignment in Japan, that the Japanese consider themselves "inherently different" from other people, a pure "racial" group.

Their language is one tool of exclusivity. Recently, when I tried out on a Japanese friend a few simple words I had learned, he smiled and said: "I think you have gone about as far as you should go: We Japanese believe that when you know too much of our language, you have too great a searchlight into our minds."

The painful part of Mr. Nakasone's diatribe is that it is not an aberration, or a careless slip of the tongue; it represents the views held by many Japanese. A few months back, a member of the Japanese Diet told me in Tokyo that the United States's economic problems reflected not only a dilution of the white majority by immigrants from Latin America and other countries, but a pandering to the elderly, whose pension rights drained too much wealth out of the society.

"You will suffer the same fate as England," he said. "Your society is doomed for these reasons."

As some observers have written, this attitude represents more than simple racism. In "The Japanese Mind," Robert Christopher writes: "The central element in the Japanese sense of superiority is, I think, tribal rather than purely social. Convinced, accurately enough, of the uniqueness of their culture, the Japanese also like to think that it is so subtle and complex that no one who was not born Japanese and reared in Japanese society can ever truly become part of it."

In racial and cultural terms, Japan is described by such scholars as the most homogeneous of the world's major nations. At least two million Burakumin, ethnically undistinguishable from other Japanese, live in ghettos. Originally called Eta (full of filth), they are outcast because they are descendants of those who engaged in non-Buddhist occupations such as leatherworking. As is well known, the Japanese discriminate against about 750,000 Korean-Japanese in the same way some Americans discriminate against blacks.

All this is extremely distressing to friends of Japan, who view the Japanese-American partnership as crucial to world peace and prosperity, and who have been trying to fend off crude protectionism. The protectionist-minded are ready to cover up real U.S. inadequacies with restrictive quotas on Japanese imports.

Mr. Nakasone's boneheaded speech has supplied the protectionists with live ammunition they will use with glee for years to come.

The Washington Post.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Italy's Ultimatum

LONDON — The Paris correspondent of the "Daily Mail" says: "I learn that a Note was handed to the Turkish Government by the Italian Chargé d'Affaires at Constantinople [on Sept. 25], which may be regarded as a form of ultimatum. Italy protests against the danger to which the Italian colony in Tripoli is exposed, owing to the fanaticism of the Mahomedan troops, who are being egged on by their officers. The significant feature of the Note is that the Italian Government demands guarantees from the Porte against a recurrence of the events complained of. It may be stated that these guarantees, in the intention of the Italian Government, can only consist in the establishment of some kind of Italian protectorate over Tripoli. The Note adds that Italy will regard the despatch of reinforcements to the Turkish troops in Tripoli as an extremely serious act."

1936: A Race to Toledo

GUADARRAMA, Spain — General Franco's troops swept across the Guadarrama River, the enemy falling back slowly, and they stand [on Sept. 26] with Toledo only six miles away. The race to rescue 1,500 Whites, beleaguered in the Alcazar of Toledo, is going forward with swiftness.

ON THE FRANCO-SPANISH FRONTIER — Two squadrons of insurgent airplanes have showered death and destruction on Bilbao. Many buildings in the heart of the Biscayan capital along the Calle de la Espacion and the Gran Via were demolished and the number of dead is estimated at from 200 to 300.

SANTANDER — Government planes have bombed Oviedo, wiping out large insurgent barracks with direct hits. A deserter from Oviedo has reported that at least 500 insurgents were killed by Red aerial bombardments in recent days.

هكذا من الأصل

OPINION

Summits and Other Political Enthusiasms

By Charles Krauthammer

WASHINGTON — Beware political enthusiasms. Any time the House of Representatives votes 392 to 16 on anything, check the water. Especially when it is a vote to dip into an empty Treasury and throw $3.7 billion at drugs, for a "war" staged by panicked legislators as a pre-election demonstration of fealty to the zeitgeist.

If a political enthusiasm is a passing passion resistant to ordinary reason, then Congress showed us another one — far less cynical, though just as mindless — exactly a week later. The occasion was a brilliant, heart-tugging address to Congress by President Corazon Aquino of the Philippines. Within five hours, the House had voted her an extra $200 million in emergency aid, without a doubt the indoor record for largest honorarium for a single speech. Tough-as-nails Henry Hyde succumbed with, "She's a doll."

This is the Congress that slashed the president's overall foreign aid budget, perhaps the most cost-effective foreign policy instrument in the U.S. arsenal. It is the same Congress that imposes outrageous quotas on textiles and sugar that keep the Philippines' two largest exports out of the United States. The sum of these maneuvers? U.S. consumers are taken for billions in higher prices. Sugar alone: more than $2.3 billion a year. Philippine workers are made jobless and the economy remains prostrate. The House then squares the circle by taking another $200 million from taxpayers, not in exchange for sugar or shirts, but as thanks for a speech well delivered.

Congressional enthusiasms, however, pale beside those of a president. And Ronald Reagan is now fearsomely in the grip of one of his own: summit fever. Early signs are an irresistible urge to be photographed in the smiling presence of an Evil Emperor. Later comes the conviction that one will charm him into giving up his designs for world domination, and thus earn one's Place in History. Why Mr. Reagan needs a summit meeting more than Mr. Gorbachev is hard to fathom. But the president is acting unmistakably as if he does. Gorbo will grant him the pleasure of his company in return for a favor or two, namely, some arms control achievement. Mr. Reagan is eager to oblige.

There is nothing wrong with a summit meeting or with arms control. But a summit should not be a gift. Nor should arms control be an admission ticket to a summit. Moscow's view is that the only important summit business is arms control. To accept that subverts U.S. insistence that "regional conflicts," Soviet adventurism in Africa, Asia and Central America, are of at least equal importance. Why does Mr. Reagan not answer Soviet demands for a "substantive" summit meeting: "Agreed. No summit without some concrete arrangement on Afghanistan, Angola or Nicaragua."

Who needs a summit conference? We can have agreements without a summit and a summit without agreements. Mr. Gorbachev professes to disagree. The president is driven to mollify him. The result is needless pressure on U.S. negotiators to sign an arms control agreement quickly so that the president not lose his Place in History. A friend, recently returned from six weeks of negotiations with the Soviets, brought home this lesson: When at the table with the Russians, never negotiate with a clock. Mr. Reagan's clock is his age and the two-term limit. Aware of both, the Soviets are demanding a price.

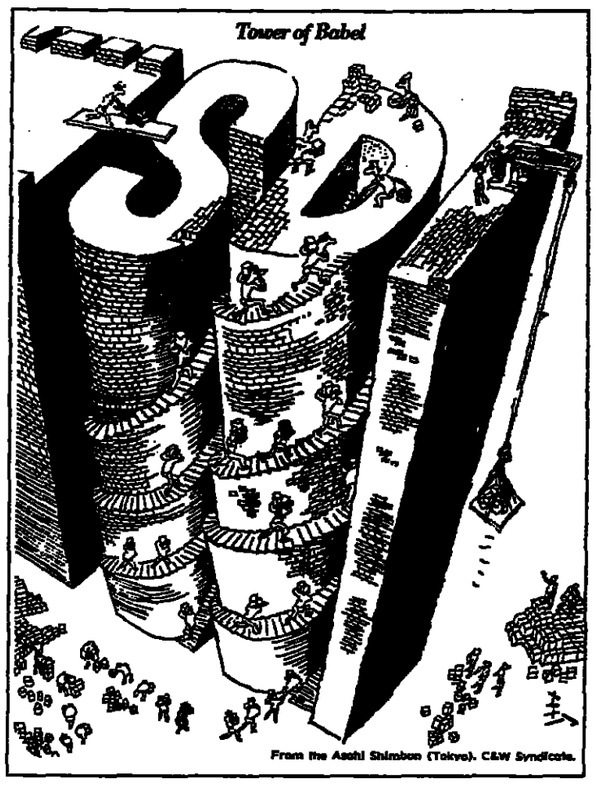
The United States has just made a small down-payment in Stockholm, where an East-West agreement on risk reduction and "confidence building" in Europe was concluded last week. The deal is being hailed for its "breakthrough" for on-site verification. Each side must notify the other of significant troop movements and allow spot on-site inspections of suspected violations.

A good precedent, until you read the fine print. The United States had demanded that any on-site inspection be done from neutral facilities, such as planes flown by neutrals like the Swedes or the Swiss. The Soviets resisted, and summit fever hit. In August, the final "breakthrough": Washington accepted the Soviet position that inspectors be led about by inspectees. If Soviet violations are suspected, they will be checked out from Soviet planes flown by Soviet pilots. Does that build your confidence?

The triviality of the agreement mitigates the damage. But if the pressure for agreement and the mockery of verification set a precedent for the upcoming summit talks, we're in for trouble.

Washington Post Writers Group.

Tower of Babel



From the Asahi Shimbun (Tokyo). CSW Syndicate.

For California, Lower Taxes Didn't Help Fill the Potholes

By Philip Stephens

LOS ANGELES — There are too many striking things — many good, some bad — about California to allow a visiting European to make easy, sweeping judgments. But one impression troubled me almost as soon as I left Los Angeles International Airport.

As my rented car jolted into its third suspension-wrenching pothole on the trip downtown, the question asked itself: How is it that one of the richest and most resourceful areas in the world, with a culture centered on the automobile, cannot maintain its roads properly?

MEANWHILE

In several months in Los Angeles I put the question to a dozen or so people. They all had ready explanations for the gradual decay of what must be the best-engineered road and freeway network ever built. Budget priorities, bureaucratic waste, and Proposition 13, or the need to hold down taxes to promote incentives, were the favorite responses in this admittedly most unscientific of private polls. I could not help feeling that the answers missed the point.

Of course, I see the superficial logic that says that a city or state government cannot spend more to repair the roads if the education system has even greater problems. It is no use having superb roads if no one can read the signs.

But it is here that I begin to get puzzled. Must I conclude that California, the most affluent part of the world that I have ever visited, cannot afford to invest both in good roads and in excellent schooling without cutting back on prison building or welfare payments?

Of course it can, but the voters are too selfish to pay the price, said the most cynical respondent in my sample. The average well-off Californian, this city official argued, cares about having a swimming pool in the backyard and two cars in the driveway, not about what happens to public services. As long as the roads do not actually collapse and there are enough police to protect his property, Mr. Average will vote down a tax increase to improve public provision. After all, what use are public libraries to someone who can afford a twice-weekly visit to a bookstore?

From the other end of the political spectrum came the reply that it was all the fault of the bureaucrats. If waste could be eliminated, if officials spent more time serving the public rather than feathering their own nests, there would be ample funds for all essential services.

I find it hard to believe either that Californians are driven only by selfishness or that public officials in California devote their energies to frittering away taxpayers' dollars. There seems to me a much simpler explanation — one equally as applicable to what has happened over the past few years in my own country, Britain, as it is to California.

Voters here, as elsewhere in the industrialized world, have been tricked into believing that taxation is by definition wasteful; that by cutting taxes governments will somehow unleash an explosion of private-sector energy that will fill the vacuum left by the state; that it is better to pay a private contractor to take away your garbage even if costs you twice as much as the public service.

The economics of such arguments have long been discredited. Arthur Laffer's napkin curve ended up as a $200-billion federal deficit. The private sector has not used its higher profits to repair roads, revitalize ghettos or invest in the future by improving schools.

It also must be clear by now that the provision of some services is not susceptible to individual rather than cooperative action. It is pointless to fill the pothole outside your own house if your car is going to fall through the pavement in the next block.

A much more fundamental fraud has been perpetrated by the tax-cut fanatics: They have entirely misrepresented the role of taxation in a democracy as the wicked confiscation by the state of the fruits of its citizens' labors.

That is what taxation is in tyrannical regimes, in which revenues are used to enrich a dictator or ruling oligarchy without the consent of the people. Britain under George III and more recently the Philippines under Ferdinand Marcos spring to mind.

In a democracy, the philosophical basis for taxation is altogether different. It represents the shared commitment of the majority of citizens to a set of values and goals and the recognition that they can best be achieved through cooperative action. It also reflects an acknowledgment that some public services — whether the provision of education, defense or health care — are vital to a society's future well-being.

Democratic governments do not steal the wealth of their people, but spend part of it on their behalf. If they do not, they can be voted out of office. Some of the officials and politicians charged with this task will undoubtedly be corrupt or inefficient — but no more so than in any other walk of life, and probably a great deal less so than the average broker on Wall Street or in the City of London.

It is of course perfectly reasonable for voters in such a democracy to decide that they would prefer lower taxes to better public services. But they must acknowledge that the choice is just that. In the public sector as in the private, you get what you pay for.

The writer, economics correspondent of the Financial Times of London, contributed this comment to the Los Angeles Times, where he was working this summer on a Fulbright Fellowship.

LETTERS TO THE EDITOR

Quit Prevaricating and Jump Down Hard on Apartheid

In response to Donovan Russell's letter, "Southern Africa: From Up Close, a Different Perspective" *(Sept. 18)*, I have to point out that the problems overwhelming the oppressors are of their own making, and only the oppressors themselves can solve those problems — by arranging a speedy transition to democratic rule on the basis of a universal franchise in a unitary state.

As to the problems that may follow, including those arising from ethnic tension and from a program toward the effective redistribution of the enormous wealth of the country, these must be left to the people of South Africa to solve. If they want assistance, I am certain they will ask. It is patronizing in the extreme to suggest, as Mr. Russell does, that democratic South Africans and their supporters are not aware or capable of identifying and dealing with such problems themselves: Indeed, such problems have received attention for years.

South Africa is one of the wealthiest countries in the world in terms of natural resources, and there are thousands of enlightened and highly educated South Africans of all colors who, I have no doubt, dream of working in a democratic South Africa.

As to those Western countries that are "jumping up and down" about apartheid and at the same time propping up the present vile system, they should quit prevaricating and jump down hard on apartheid. Otherwise they may find that they are not invited to participate in the development of a free South Africa.

GRAHAM DYSON.
Madla, Norway.

States Are Also Terrorists

Having lost our own Olof Palme to assassins, we here in Sweden cannot but feel the deepest sympathy for the victims of the terrorists in France. Nevertheless, it is difficult to sympathize with President François Mitterrand and Prime Minister Jacques Chirac. They instigated, or were aware of, the Greenpeace bombing, an act of state terrorism.

Other recent state-terrorist acts included the U.S. mining of Nicaraguan harbors, the U.S. shelling of defenseless Lebanese villages by the battleship New Jersey, the downing of KAL Flight 007 by the Soviet Union, the thousands of killings in Central America financed by U.S. "aid," and even more in Afghanistan by Soviet troops. The U.S. bombing of Libya must be included.

State terrorism is even more reprehensible than that committed by small groups because it masquerades under the cloak of respectability.

BEN LANE.
Sollentuna, Sweden.

How to Discourage Tourists

"Submit a valid passport, residence card, three photos, proof of financial resources..." Boy, does that get the old nostalgia bubbling.

Anyone recalling the late 1940s has his own string of yarns about waiting for visas. The revival of those agonies is scarcely calculated to be the cure for a shortage of American tourism in France.

Already sagging under the weight of the discredited dollar, Chernobyl fallout in the foie gras, bombs in the bazaars and resentment over refusal of overflight rights for U.S. bomb squadrons bound for Libya, tourism from the United States is not likely to be relighted, like Lady Liberty's torch, by a foretaste in America of French bureaucracy as people herd to visa-issuing offices.

Harking back those 40 years when visa-seeking was an international pastime, one recalls first the forms (in French only) to be prepared in quadruplicate with a passport picture stapled to each. Armed with such basics, plus passport, birth certificate and a substantial fee/payment, we set aside a day dedicated to travel time to the consulate of France, hoping we hadn't hit a French holiday or government strike.

The package disappeared and we waited — usually standing — until summoned much later. If all went well we retrieved our passport, waited for a clerk to stamp it, and waited some more for the consul to affix his signature. A long hard pull for the right to spend from one to three months' time spending American funds in France.

If the classic process is to be revived, and Americans from Tulsa, Wichita, Zanesville and other metropolises with no French consuls are going to have to make extra arrangements to get in touch with Gallic officialdom before taking off, the result will be — to use an expression not often heard along the Champs Elysées — "Katie bar the door!"

SCOTT CHARLES.
Geneva.

Footnote for Jacques Chirac

Suggestion: If I were Prime Minister Jacques Chirac of France, I would inform the Committee for Solidarity With Arab and Middle East Political Prisoners that, with each bombing incident, five years would be added to Georges Ibrahim Abdallah's prison sentence.

WILLIAM G. SPURRIER.
Gordes, France.

More Sports Fans in Exile

I could not agree more with the letter "From a Sports Fan in Exile" *(Sept. 20)*. I have never understood why you do not allow more space to American sports, specially at a time of the year when baseball playoffs, National Football League, Canadian Football League, and soon hockey, are going on.

And why keep writing about European sports, when there are enough good publications doing it already?

OLIVIER F. PILLEY.
Sceaux, France.

I want to register a strong second to Bob Cochrane's letter from Thailand *(Sept. 20)* about the International Herald Tribune's sports coverage. I read your sports page because I'm starved for baseball news, but all I get is peanuts.

LAWRENCE ELLIOTT.
Luxembourg.

Yasuhiro Nakasone

Nakasone Apologizes For Race Slur

New York Times Service

TOKYO — In an effort to quell a growing controversy, Prime Minister Yasuhiro Nakasone apologized Friday for his recent remarks about ethnic minorities in the United States.

In a statement that was to be delivered to members of Congress and administration officials by Nobuo Matsunaga, Japan's ambassador to the United States, Mr. Nakasone said:

"I realize that my recent remarks have offended many Americans. I would like to express my heartfelt apology."

The statement continued: "Let me make one thing very clear. I have always firmly believed that America's greatness derives from the dynamism and achievements of her many ethnic communities. It was not my intention whatsoever to imply any racial discrimination nor to criticize any aspect of American society."

On Tuesday, Mr. Nakasone was quoted by two Japanese newspapers as saying that the presence of blacks, Puerto Ricans and Mexicans in the United States had impaired educational achievement compared with Japan. Mr. Nakasone repeatedly insisted that he had meant no offense and that he was merely pointing out that a multiracial society faced unique problems.

On Thursday, a spokesman for the Foreign Ministry had dismissed the possibility of an apology, saying that the U.S. government had accepted Mr. Nakasone's explanation of his remarks.

Bitter Battle Develops in U.S. Senate Over Extra Assistance for Philippines

By Sara Fritz
Los Angeles Times Service

WASHINGTON — The Senate, whose members often claim credit for helping to install Corazon C. Aquino as president of the Philippines, is caught in a bitter battle over a $200-million Philippine aid package that was approved by the House last week shortly after Mrs. Aquino delivered an address to Congress.

The Senate majority leader, Bob Dole, Republican of Kansas, has said that the aid package violates budget constraints set by Congress.

In addition, Mr. Dole has questioned why the United States should give more aid to the Philippines at a time when the future of two U.S. military bases there is uncertain.

He characterized the aid package as a "$200-million honorarium" for Mrs. Aquino. Senators have frequently been criticized for the extent to which they supplement their salaries with honorariums, or fees, for speaking to groups outside the Senate.

Senate Democratic leaders have demanded approval of the aid and have pledged that, if necessary, they will offer a proposal to take the money from an aid package for Central America that includes assistance for the Nicaraguan rebels.

In a statement issued Thursday, Senator Bill Bradley, Democrat of New Jersey, said that "it demeans us" to describe the Philippine aid as an honorarium for Mr. Aquino.

"I cannot for the life of me see," he said, "how we can justify assisting democratic forces in Central America while turning our back on a democratic government in the Philippines."

Bob Dole

Senator Richard G. Lugar, Republican of Indiana, the chairman of the Senate Foreign Relations Committee, is proposing that the money for the Philippines be drawn from the Pentagon budget.

So far, his proposal has failed to satisfy opponents of the aid.

The Philippines aid was approved in the House by a 203-197 Sept. 18 only a few hours after Mrs. Aquino made her emotional speech to a joint session of Congress.

Mr. Lugar led a U.S. delegation that monitored the Philippines presidential election and declared it fraudulent. Senator Paul Laxalt, Republican of Nevada, is credited with persuading former President Ferdinand E. Marcos to step down in February in the face of a military and civilian rebellion.

Speaking of Mrs. Aquino and the role of U.S. senators in the revolt, the Senate minority leader, Robert C. Byrd, Democrat of West Virginia, said Thursday:

"This body inspired the empowering of forces of democracy behind her. Are we now to give those same forces the brish-off?"

Mr. Byrd pledged to offer the aid package as an amendment to an omnibus spending bill that will be passed by Congress before it adjourns in October.

He said he would try to fund the aid program by "redirecting" $200 million of the $300 million approved earlier as aid for Central American nations.

He argued that the money was intended as "bribery" to silence their criticism of U.S. assistance to the Nicaraguan rebels, known as "contras."

Although the aid package, including $100 million in aid to the rebels, has been approved by both the House and Senate, it has not yet been approved finally by Congress and is expected to be part of the catchall spending bill.

A constitutional commission appointed by Mrs. Aquino has adopted a proposal that leaves it unclear whether U.S. leases for Subic Bay Naval Base and Clark Air Base in the Philippines will be extended when they come up for renewal in 1991.

Malaysians Expel 2 U.S. Journalists

Ban Distribution of Asian Wall Street Journal for 3 Months

The Associated Press

KUALA LUMPUR — The Malaysian government banned The Asian Wall Street Journal for three months on Friday and expelled its two correspondents.

The Home Affairs Ministry said in a statement that the action was taken after a review of the newspaper's articles, but it did not single out any particular report for criticism.

It identified the correspondents ordered to leave as John Berthelsen and Raphael Pura.

Mr. Berthelsen, 48, of Sacramento, California, confirmed by telephone that he was told to leave within 48 hours. He declined to comment further.

The Asian Wall Street Journal's editor and publisher, Fred Zimmerman, said by telephone from Hong Kong that he was informed of Mr. Berthelsen's expulsion but not that of Mr. Pura, who is on vacation in Hong Kong.

Senior Malaysian officials privately have criticized Mr. Berthelsen's reporting, claiming he has put the government in "bad light."

The Journal has published articles recently about Malaysia's admission that it tried to corner the world tin market in 1981 and 1982, and debate over the country's New Economic Policy to redistribute wealth more evenly.

Mr. Zimmerman, in a statement, called the banning "unfair, unjustified and unwise" and said, "We are proud of the accuracy and integrity of our reporting from Malaysia."

He said the paper had formally protested the banning and expulsions.

The Home Affairs Ministry statement said it would take similar action against any publication that carried "articles, statements or other writings which would undermine public order and morals, national security, ties with foreign governments," or that "went against the country's laws or threaten the public or national interest."

Malaysia censors foreign publications and requires that copies of all foreign publications be submitted to the intelligence agency. If the agency considers an article unacceptable, it asks importers to remove the article from each issue of the publication.

The daily, which is edited in Hong Kong and printed in Hong Kong and Singapore, is owned by Dow Jones & Co. of New York. It has circulated in Malaysia since September 1976 and sells about 3,000 copies there daily, or about 10 percent of its total circulation.

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China	U.S.$	372	93
Guam	U.S.$	210	52.50
Hong Kong	H.K.$	1,285	330
India	U.S.$	290	83
Indonesia	U.S.$	292	80
Japan	U.S.$	406	106
Korea	U.S.$	190	50
Malaysia	M.$	445	120
Nepal	U.S.$	243	64
N. Zealand	U.S.$	310	78
Pakistan	U.S.$	262	75
Philippines	U.S.$	190	52
Singapore	S.D.$	420	120
Sri Lanka	U.S.$	280	72
Taiwan	U.S.$	294	66
Thailand	U.S.$	185	50
Other Asian	U.S.$	220	65
U.S. Terr.	U.S.$	350	90

AMERICAS		1 year	6 mos.	3 mos.
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Caribbean	U.S.$	297	164	85
Brasil	U.S.$	372	186	94
Chile	U.S.$	540	270	135

AMERICAS		1 year	6 mos.	3 mos.
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Boesak, an Activist, Will Lead Mixed-Race Church

By Allister Sparks
Washington Post Service

JOHANNESBURG — The Reverend Allan Boesak, a leading anti-apartheid activist, has been elected head of his mixed race branch of the Dutch Reformed Church, a development that could lead to a schism in the racially segregated church to which most white Afrikaners also belong.

Church sources said Mr. Boesak's election Wednesday could open the way to his branch declaring the white parent branch to be heretical for its continued theological justification of apartheid.

If that happens, the sources said, the two branches of the Dutch church will sever relations.

The Dutch Reformed Church wields wide political influence in South Africa. Most members of the Dutch-descended Afrikaner community, who are the dominant element of the ruling white minority, are members of it.

By declaring, as it has done for many years, that apartheid is justifiable on biblical grounds, the church has provided a strong underpinning for the policy among the devout Afrikaner community.

The church is segregated into a white, or "parent" branch, and smaller "daughter" branches for the mixed race, Africans and Indians.

Of these, the mixed race branch — or colored branch as it is known here — is the biggest. The mixed-race community is largely descended from slaves brought from Indonesia by the early Dutch settlers who regarded the indigenous Africans as unsatisfactory servants. These slaves were taught the Afrikaans language of their masters and were made to attend the separate Dutch church.

Until recently the branch churches were politically passive, but that began changing with the emergence of Mr. Boesak as a young pastor. After studying in the Netherlands, he returned to South Africa to preach that apartheid was contrary to the Christian faith.

Members of the mixed-race church at first viewed Mr. Boesak with caution, but his constituency grew, particularly among young pastors. He became student chaplain at the mixed-race University of the Western Cape, outside Cape Town, and developed a strong following among youth of mixed race.

Mr. Boesak campaigned successfully in 1982 to have the World Alliance of the Reformed Church declare apartheid a heresy at its conference in Ottawa. He was elected president of the world alliance.

Returning in triumph, Mr. Boesak ran for moderator, or head, of his own church when it held a synod a few months later. But many pastors were still wary of him and he lost to a conservative pastor, Isaac Mentor. He gained the No. 2 position of assessor.

When the new synod began Wednesday in the mixed-race township of Belhar, near Cape Town, the positions were reversed. Voting by the 485 pastors gave Mr. Boesak a 31-vote margin over Mr. Mentor, and the conservative became assessor.

Sources at the synod said the victory meant Mr. Boesak now commanded a clear majority there, and that this meant his campaign to have the church declare apartheid a heresy was likely to be endorsed before the synod ends.

Mr. Boesak is seeking to do this by having a declaration to that effect written into a "status confession" that must be adopted by the synod.

If he succeeds, church sources said, it would mean a break in relations between the daughter and parent churches.

This would have far-reaching consequences. The mixed-race African and Indian churches are heavily dependent on the white church for financial support. Their pastors are trained at its theological seminaries and many white ministers are seconded to serve as missionaries in the "daughter" churches.

"If we regard them as heretics, we can't go to their seminaries or have them preach in our churches," a mixed-race pastor at the synod said.

Mr. Boesak has become ever more prominent as a political activist and, even more than Archbishop Desmond M. Tutu, he has emerged as a hero of the radical black youth.

The Associated Press

The Reverend Allan Boesak taking questions Friday at the church synod in South Africa.

In 'Homelands,' Black and White Choices

By William Claiborne
Washington Post Service

BLOEDFONTEIN, South Africa — The government has presented Frans Tema and thousands of other blacks living on farmland that their families have owned in the northern Transvaal for nearly half a century with a bitter dilemma: They can choose between giving up their land or their citizenship.

Meanwhile, Tom Weichelt and 20 other white farmers in nearby Rust de Winter also had a choice: They could fight government expropriation of drought-ravaged farms, which they realized long ago were no longer viable, or sell them to the government for $2 million or more.

If Mr. Tema, 62, decides not to surrender his South African citizenship when his farm is annexed to the tribal "homeland" of Bophuthatswana, he will move to Mr. Weichelt's farm or one next to it.

His dilemma is part of the government's latest move to tidy up the gerrymandered borders of the four ostensibly independent homelands, designed as the cornerstone of apartheid.

Mr. Tema, whose father bought the family farm from a Dutch settler in 1920, long before the ruling National Party conceived apartheid as the official instrument of racial separation, is of the North Sotho tribe. He says he feels no kinship for the Swanas of Bophuthatswana.

"How can we accept Bophuthatswana?" asked Mr. Tema. "It's not our nation. What is the reason for forcing us to go to them?" Mr. Tema grows corn, owns a small grocery store and is chairman of the Bloedfontein Council.

The reason is the adoption in Parliament earlier this month of the Borders of Particular States Extension Amendment, a homeland "consolidation" measure that many blacks see as reimposing mass forced removals in everything but name.

The South African government announced in February that it was formally abandoning the practice of forced removals, under which 3.5 million blacks were forcibly transferred to homelands between 1960 and 1982.

The blacks in the Transvaal region consider it forced removal. Despite their protests, they are to be forced to choose between surrendering their South African citizenship or picking up stakes and moving to a plot of land of the government's choosing.

Bophuthatswana prohibits its citizens from holding dual nationalities, and black officials there have said that anyone holding South African citizenship must leave the homeland.

The South African government denies that black freehold farmers in Bloedfontein and adjacent Geweerfontein are being forcibly removed from their land.

Ben H. Wilkins, deputy minister of development and land affairs, said that the chief of the Bagatla tribe, Regina Moepi, had made "strong representations" for the incorporation of the two communities into the "Republic of Bophuthatswana." Chief Moepi's grandfather originally signed the deed to the land when it was bought from a Dutch settler in 1920.

The people of Bloedfontein and Geweerfontein, which are in a narrow corridor of land between Bophuthatswana and KwaNdebele, say that several years ago they were told their farms would be incorporated into KwaNdebele.

That change was acceptable to them because that homeland has rejected "independent" status and they therefore would not have to give up their citizenship.

Mr. Wilkins said that although "there might be a minority of the inhabitants who would prefer the incorporation of the farms into KwaNdebele," the government had no intention of forcing them to move elsewhere. He said they could either continue to live on their land after it becomes part of Bophuthatswana, or move onto compensatory land in Rust de Winter, which is scheduled to become part of KwaNdebele. Mr. Wilkins said that allegations of forced transfer were "devoid of truth."

The "consolidation" is expected to take place in a year to 18 months, after compensation claims have been settled with the white farmers of Rust de Winter.

Mr. Weichelt, a second-generation German whose family moved here from Tanzania, said that most of the white families to be displaced to make room for 15,000 blacks from Bloedfontein and Geweerfontein have no problem with moving. There are about 20 such families.

"They'll buy up our land, and if we go by the old standards, buying out land is very fairly done," he said. Mr. Weichelt estimated he would receive 7 million rand for his 7,000 acres, the equivalent of $2.8 million.

"Most farmers here think Rust de Winter isn't viable anymore anyway," said Mr. Weichelt, cochairman of a compensation liaison committee. He said the five-year drought, combined with water distribution restrictions on irrigated land, have forced most of Rust de Winter's farmers into debt rescheduling and aid programs, making them a burden on the government.

"So, you don't feel all that bad about losing your farm," said Mr. Weichelt.

When asked how the displaced black farmers would succeed if the farmland was no longer viable, Mr. Weichelt replied that there was enough water for black farmers because of their "different standard of living."

Mr. Tema, however, looks at it from a different perspective. Although eking out a living on the barren land of Bloedfontein is not easy, he says, the land has been in the family for generations. His father, Jacob, he said, was chairman of the town council, and his son, Peter, one day will be as well.

'I don't think the homeland concept will work unless they pump in huge amounts of money. But then, if we gave them voting rights, they'd gobble us up, wouldn't they?'

— Tom Weichelt, a white farmer

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(Continued From Back Page)

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AMSTERDAM CLUB LEILA escort service. Tel: (0)20-141358.

FRANKFURT - SUSANNE'S ESCORT Service. Tel: 069/84 48 75 or 84 48 76.

GEORGIA BROWN ESCORTS Service. Tel 01 625 4976.

GENEVA-ANIA, Female & Male Escort Service. Multilingual: 022/311069

HYDE PARK ESCORT service. London/Heathrow/Gatwick. 01-552 3910.

AMSTERDAM BERNADETTE Escort Service. Tel: (0)20-327799

AMSTERDAM ROSITA Escort Service. (0) 20-362833.

FRANKFURT POLAND ESCORT Service. Tel: 069/63 41 59.

LONDON ONLY JAPANESE ESCORT Service. Tel: 01 821 0627.

MUNICH - REMEMBER ESCORT Service. Tel: 91 23 14

FRANKFURT JENNY'S Escort & travel service. 069/55-72-10. Credit cards.

HEATHROW LONDON, SACHA Escort Service. Tel: 289 5549

KNIGHTSBRIDGE Sophisticated Escort Service. Tel: 01 6243797.

MONA GERMAN SPEAKING Escort Service. London 01- 724 7932

A.A. ESCORT SERVICE, West End London areas 01 -850 2827

AMSTERDAM JEANET ESCORT Service. Tel: (020) 326420 or 340110.

FRANKFURT - GERTI'S escort service. Tel: 069/81 81 61.

ZURICH LORIN ESCORT SERVICE. Tel: 01/69 58 71.

BRUSSELS ESCORT SERVICE. Tel: 02 / 514 0451.

HAMBURG - MADEMOISELLE Escort Service. Tel: 040/45 31 28.

BRUSSELS. ANN ESCORT Service. Tel: 02-733 98 47. Credit cards accepted.

LOS ANGELES ESCORT and Tour Guide Service. 213-271-8822

MUNICH - BLONDY & TANJA Escort Service. Tel: 311 79 00 or 311 11 06.

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 26 Sept. 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

AL MAL MANAGEMENT		
-(w) Al-Mal Trust, S.A.	$	248.05
BANK JULIUS BAER & CO. Ltd.		
-(d) Baerbond	SF	898.85
-(d) Conbar	SF	1438.00
-(d) Equibaer America	$	1221.80
-(d) Equibaer Europe	SF	1548.00
-(d) Equibaer Pacific	SF	1351.00
-(d) Grobar	SF	1061.00
-(d) Stockbar	SF	1790.00
-(d) SFR-BAER	SF	989.00
BAII MULTICURRENCY		
-(r) Multicurrency US$	$	1,107.68
-(r) Multicurrency Ecu	ECU	1,078.29
-(r) Multicurrency Yen	YEN	199,482.49
BNP INTERFUNDS		
-(w) Interbond Fund	$	169.28
-(w) Intercurrency US$	$	18.44
-(w) Intercurrency DM	DM	20.58
-(w) Intercurrency Sterling	£	10.20
-(w) Interequity Pacific Offer	$	17.79
-(w) Interequity N. Amer. Offer	$	18.68
BANQUE INDOSUEZ		
-(d) Asian Growth Fund	$	17.98
-(w) Diverbond	SF	87.48
-(w) FIF-America	$	18.30
-(w) FIF-Europe	$	24.78
-(w) FIF-International	$	15.28
-(w) FIF-Pacific	$	28.92
-(w) Indosuez Multibonds A	$	132.71
-(w) Indosuez Multibonds B	$	231.60
-(d) Indosuez USD (M.M.F)	$	1889.94
-(w) IPNA-3	$	1000.00
BRITANNIA,POB 271, St. Helier, Jersey		
-(w) Brit.Dollar Income	$	0.902*
-(w) Brit.$ Manag.Curr	$	12.35
-(d) Brit. Intl.$ Manag.Portf	$	1.516
-(d) Brit. Intl.£ Manag.Portf	£	155.1
-(w) Brit. Am. Inc. & Fd Ltd	$	1.217
-(w) Brit.Gold Fund	$	0.832
-(w) Brit.Manag.Currency	£	14.96*
-(d) Brit. Japan Dir Perf. Fd	$	2.544
-(w) Brit.Jersey Gilt Fund	£	0.772
-(d) Brit. Okasan Glob.$	$	11.73
-(d) Brit. World Leis. Fund	$	1.375*
-(d) Brit. World Techn. Fund	$	0.912
BROADGATE INTERNATIONAL FUND		
-(d) $ Money Market	$	10.59
-(d) Non-$ Money Market	DM	26.17
-(w) $ Bond	$	11.20
-(w) Non-$ Bond	DM	27.24
-(w) Global Equity	$	12.67
-(w) Global Bond	$	10.22
-(w) Global Bond & Equity	$	10.42
CAPITAL INTERNATIONAL		
-(w) Capital Int'l Fund	$	60.77
-(w) Capital Italia SA	$	32.89
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citinvest Ecu	ECU	1100.96
(d) Citinvest Liquidity	$	1069.49
(d) Citinvest Manag. Growth	$	1020.41
CREDIT SUISSE (ISSUE PRICES)		
-(d) Actions Suisses	SF	485.00
-(dfs15e) Bond Valor Swf	SF	109.40
-(d) Bond Valor D-mark	DM	113.45
-(d) Bond Valor US-DOLLAR	$	128.33
-(d) Bond Vaor £ Sterling	£	107.41
-(d) Bond Valor Yen	Yen	11,100.00
-(d) Convert Valor Swf	SF	148.45
-(d) Convert Valor US-DOLLR	$	154.88
-(d) Canasec	SF	574.00
-(d) CS Fonds-Bonds	SF	79.00
-(d) CS Fonds-Int'l	SF	122.00
-(d) CS Gold Valor	$	115.19
-(d) CS Money Market Fund	$	1147.55
-(d) CS Money Market Fund	DM	1898.15
-(d) CS Money Market Fund	£	1136.63
-(d) CS Money Market Fd Yen.	Y	104,287.00
-(d) Energie-Valor	SF	146.25
-(fs15ud) Ussec	SF	730.00
-(d) Europa-Valor	SF	192.25
-(d) Pacific -Valor	SF	198.75
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
-(w) Finsbury Grou Ltd.	$	147.41
-(m) Winchester Diversified	$	22.26*
-(m) Winchester Financial Ltd.	$	10.52
-(m) Winchester Frontier	$	150.15
-(w) Winchester Holdings	FF	115.70
	$	13.07
-(m) Winchester Recovery Ltd	$	105.61
-(w) Worldwide Securities	$	66.79
-(w) Worldwide Special	$	2418.18
DIT INVESTMENT FFM		
-+(d) Concentra	DM	38.44
-+(d) Int'l Rentenfond	DM	81.51
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.St. Helier;0534-36331		
TRADED CURRENCY FUND.		
@(d)Inc.: Bid $ 13.40 Offer	$	13.822
@(d)Co.: Bid $ 15.89 Offer	$	16.397
INTERNATIONAL INCOME FUND		
-(d) Short Term 'A' (Accum)	$	1.5461
-(d) Short Term 'A' (Distr)	$	1.0064
-(d) Short Term 'B' (Accum)	$	1.5037
-(d) Short Term 'B' (Distr)	$	1.0808
-(w) Long Term	$	29.84
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pounty Hill. EC4. 01-623-4680		
-(w) F&C Atlantic	$	15.32

-(w) F&C European	$	27.47
-(w) F&C Oriental	$	49.68
FIDELITY POB 670, Hamilton Bermuda		
-(m) Fid. Amer. Val.II Com.	$	60.49
-(m) Fid. Amer. Val.II Cum.Pref.	$	102.49
-(m) Fid. Amer. Val.III Com.	$	19.74
-(m) Fid. Amer. Val.III Cum Pref.	$	102.70
-(d) Fidelity Amer. Assets	$	89.02
-(d) Fidelity Australia Fund	$	13.71
-(d) Fidelity Discovery Fund	$	12.31
-(d) Fidelity Dir. Svgs.Tr.	$	135.35
-(d) Fidelity Far East Fund	$	42.31
-(d) Fidelity Int'l. Fund S/S	$	11.14
-(d) Fidelity Orient Fund	$	59.45
-(d) Fidelity Frontier Fund	$	16.89
-(d) Fidelity Pacific Fund	$	226.66
-(d) Fidelity Spcl. Growth Fd.	$	22.71
-(d) Fidelity World Fund	$	50.69
FORBES PO 8887 GRAND CAYMAN		
London Agent 01-839-3013		
-(w) Dollar Income	$	7.25
-(w) Forbes High Inc. Gilt Fd.	£	97.28*
-(w) Gold Income	$	9.71
-(w) Gold Appreciation	$	6.26
-(m) Strategic Trading	$	1.34
GARTMORE FUND MANAGERS INT.		
& CALEDONIA PLACE, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
-(d) Sterling Deposit	£	1.012
-(d) US$ Deposit	$	1.028
-(d) DM Deposit	DM	5.088
-(d) Yen Deposit	Yen	510.4
-(d) Sw. Fr. Deposit	Sfr	5.103
-(d) N. American	$	1.33
-(d) Japan	$	3.63
-(d) Pacific Basin	$	2.19
-(d) International growth	$	2.17
-(d) British	£	1.58
-(d) Sterling Gilt	£	1.06
-(d) Internatl. High Income	$	1.18
-(d) Yen Convertible bond	Yen$	2523
-(d) European Fund	£	1.61
-(d) E.C.U. Fund	ECU	1.08
CAPITAL STRATEGY PORTFOLIO LTD.		
-(d) Growth Portfolio	£	1.11
-(d) Income Portfolio	£	1.07
-(d) Balance Portfolio	£	1.08
GEFINOR FUNDS.		
-(w) East Investment Fund	$	677.36
-(w) Scottish World Fund	£	188.13
-(w) State St. American	$	190.24
London:01-491-4230, Geneva:41-22355530		
GLOBAL ASSET MANAGEMENT CORP.		
PB 119, St Peter Port, Guernsey. 0481-28715		
-(w) FuturGAM S.A.	$	142.21
-(w) GAM Arbitrage Inc	$	188.73
-(w) GAMerica Inc	$	192.17
-(w) GAM Australia Inc	$	130.47*
-(w) GAM Beacon Hill Inv.	$	100.80
-(w) GAM Boston Inc	$	125.28
-(w) GAM Boston II Inv.	$	108.80
-(w) GAM Ermitage	$	20.06
-(w) GAM Ermitage Int. Inc.	$	9.85
-(w) GAM Franc-val	SF	145.29
-(w) GAM France Inc	FF	980.49
-(w) GAM Global Fund	$	101.92
-(w) GAM Hong Kong Inc.	$	109.63
-(w) GAM International Inc.	$	209.21
-(w) GAM Japan Inc.	$	242.73
-(w) GAM North America Inc.	$	135.51
-(w) GAM N.Am. Unit Trust Inc.		118.65* p
-(w) GAM N.Am. Unit Trust Accum.		122.30 p
-(w) GAM Pacific Inc	$	248.80
-(w) GAM Pens. & Char. Worldw.		154.30 p
-(w) GAM Pens. & Char. U.K. Fd.		131.10 p
-(w) GAMrint	$	113.81
-(w) GAM Singapore/Malay Inc.	$	95.45
-(w) GAM Sterl & Intl Unit Trust		217.70
-(w) GAM Tyche S.A. Class A	$	144.81
-(w) GAMtrends Inc.	$	122.36
-(w) GAM U.S. Inc.	$	95.57
-(w) GAMut Inc.	$	101.74
-(w) GAM Worldwide Inc.	$	275.86
-(w) GSAM Composite Inc.	$	132.12
-(w) GSAM Int. Inc. U.S Ord.	$	121.56*
-(w) GSAM Interest Inc. U.S Spe.	$	115.98*
-(w) GSAM Interest Inc.	SF	106.08*
-(w) GSAM Interest Inc.	Yen	10,722*
-(w) GSAM Interest Inc.	DM	104.53*
-(w) GSAM Interest Inc.	£	105.61*
-(w) GSAM Interest Inc.	FF	1,032.37
G.T. MANAGEMENT (UK) Ltd.		
-(r) G.T. Applied Science	$	13.77
-(d) G.T. Asean H.K. Gwth.Fd.	$	17.33
-(d) G.T. Asia Fund	$	8.05
-(d) G.T. Australia Fund	$	25.02
-(d) G.T. Berry Japan Fund	$	21.14
-(d) G.T. Bond Fund	$	15.36
-(r) G.T. Dollar Fund	$	17.77
-(d) G.T. Europe Fund	$	22.52
-(w) G.T. Euro. Small Cos. Fund	$	25.86
-(d) G.T. Global Technology Fd	$	14.90
-(d) G.T. Honshu Pathfinder	$	33.86
-(d) G.T. Investment Fund	$	29.56
-(w) G.T. Japan Sml Co.Fd	$	70.38
-(d) G.T. South China Fund	$	18.37
-(r) G.T. Technology Fund	$	23.77
HILL SAMUEL INVEST. MGMT. INTL S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
-(d) Crossbow (Far East)	SF	12.48
-(d) CSF (Balanced)	SF	27.26

-(d) European Equity Fund	DM	15.63
-(d) Intml. Bond Fund	$	11.46
-(d) Int. Currency U.S.	$	28.35
-(d) ITF Fd (Technology)	$	16.88
-(d) O'Seas Fd (N. AMERICA)	$	35.76
JARDINE FLEMING, POB 70 GPO Hg Kg		
-(r) J.F Currency&Bond	$	17.43
-(r) J.F Hong Kong Trust	$	46.72
-(r) J.F Pacific Income Trust	Y	51.86
-(r) J.F Japan Trust	Y	7564
-(r) J.F Japan Technology	Y	23,383
-(r) J.F Pacific Sec.S.(Acc)	$	16.03
LLOYDS BANK PLC, POB 438, Geneva 11		
-+(w) Lloyds Int'l Dollar	$	122.10
-+(w) Lloyds Int'l Europe	SF	152.60
-+(w) Lloyds Int'l Growth	SF	197.80
-+(w) Lloyds Int'l Income	SF	298.50
-+(w) Lloyds Int'l N. America	$	131.55
-+(w) Lloyds Int'l Pacific	SF	173.60
-+(w) Lloyds Int'l. Smaller Cos	$	15.55
NIMARBEN		
-(d) Class A	$	102.19
-(w) Class C - Japan	$	159.52
OBLIFLEX LIMITED		
-(w) Multicurrency	$	16.26
-(w) Dollar Medium Term	$	72.94
-(w) Dollar Long Term	$	14.26
-(w) Japanese Yen	$	19.39
-(w) Pound Sterling	£	11.40
-(w) Deutsche Mark	DM	11.67
-(w) Dutch Florin	FL	11.64
-(w) Swiss Franc	SF	10.66
-(w) Swiss Multicurrency	SF	10.44
-(w) European Currency	ECU	11.50
-(d) Belgian Franc	BF	105.32
-(w) French Franc	SF	9.08
ORANGE NASSAU GROUP		
PB 85578, The Hague (070) 469670		
-(d) Sever Beleggingen++	$	31.00
PARISBAS-GROUP		
-(d) Cortexa International	$	102.04
-(d) ECUPAR	ECU	1134.43
-(d) Far East Growth Fund	$	99.42
-(w) OBLI-DM	DM	1259.16
-(w) OBLIGESTION	SF	96.10
-(w) OBLI-DOLLAR	$	1273.12
-(w) OBLI-YEN	Y	107,568*
-(w) OBLI-GULDEN	FL	1135.91
-(d) PAROIL-FUND	$	92.85
-(d) PAREUROPE GROWTH	$	17.37
-(d) PARINTER FUND	$	174.22
-(d) PARINTER BOND FUND	$	12.46
-(d) PAR US Treas. Bond 'Cl. B'	$	132.02
PUTNAM		
-(d) Emerging Hlth Sc. Trust	$	11.49
(w) Putnam Int. Info. Sc. Tr.	$	8.78
(d) Putnam Int'l Fund	$	102.08
ROYAL B. CANADA,POB 246,GUERNSEY		
-+(w) RBC Canadian Fund Ltd.	$	13.55
-+(w) RBC Far East&Pacific Fd.	$	23.14
-+(w) RBC Int'l Capital Fd.	$	39.32*
-+(w) RBC Int'l Income Fd.	$	12.96
-+(d) RBC Mon.Currency Fd.	$	31.96
+(w) RBC North Amer. Fd.	$	12.95*
SKANDIFOND INTL FUND (46-8-234270)		
-(w)Intl Inc.Fd: Bid $ 9.23 Offer	$	9.82
-(w)Intl Acc.Fd: Bid $ 9.38 Offer	$	9.987
-(w)Inc. Bond Fd. Bid $6.52 Offer	$	6.80
-(w)Acc. Bond Fd. Bid $6.52 Offer	$	6.79
-(w)Far East Fd. Bid $ 1.04 Offer	$	1.11
SVENSKA INTERNATIONAL LTD.		
17 Devonshire Sq.-London-01-377-8040		
-(r) SHB Bond Fund	$	30.49
-(w) SHB Intl Growth Fund	$	48.48
SWISS BANK CORP. (ISSUE PRICES)		
-(d) America-Valor	SF	424.50
-(d) Dollar Bond Selection	$	144.65
-(d) D-Mark Bond Selection	DM	122.35
-(d) Florin Bond Selection	FL	128.99
-(d) Intervalor	SF	79.75
-(d) Japan Portfolio	SF	1499.00
-(d) Sterling Bond Selection	£	108.43
-(d) Swiss Foreign Bond Sel.	SF	112.47
-(d) Swissvalor New Series	SF	411.50
-(d) Universal Bond Select.	SF	78.50
-(d) Universal Fund	SF	116.90
-(d) Yen Bond Selection	Y	11407.00
THORNTON MANAGEMENT LTD		
(d) The Establishment Trust	$	1.56
(d) Thornton Australia Fd Ltd	$	13.08
(d) Thornton HK & China	$	11.97
(d) Thornton Japan Fund Ltd	$	19.11
(d) Thornton Orient.Inc. Fd Ltd	$	15.75
(d) Thornton Phil. Redev. Fd	$	17.82
(d) Thornton Tiger Fund Ltd	$	13.86
(d) Thornton Pacific Tech. Fd Ltd	$	10.46
UNION BANK OF SWITZERLAND		
-(d) Bond-Invest	SF	63.75
-(d) DM-Invest bonds	DM	220.20
-(d) ESPAC Spanish sh.	SFr	131.50
-(d) Fonsa Swiss Sh.	SF	192.00
-(d) Francit French Sh.	SFr	190.00
-(d) Germac German Sh.	SFr	208.00
-(d) Globinvest sh.	SFr	186.00
-(d) SFr.-Invest bonds	SFr	209.50
-(d) Sima (stock price)	SF	218.50
-(d) Yen-Invest bonds	SFr	934.00
UNION INVESTMENT Frankfurt		
-(d) Unirenta	DM	41.40
-(d) Unifonds	DM	33.80
-(d) Unirak	DM	84.30
-(d) UNIZINS	DM	114.80

Other Funds

(w) Actibonds Investments Fund.	$	33.34
(w) Acticroissance	$	112.85
( ) Actifinance Intl	$	1031.89
(w) Activest Intl	$	14.22
(w) Aquila International Fund	$	265.37
(r) Arab Finance I.F.	$	1022.44
(r) Ariane	$	2548.71
(d) Asia Pac. Growth Fd N.V.	$	27.92
( ) Australia Fund	$	9.81
(b) Bleo Saudi Bond Fund	$	161.66
(w) Bondselex-Issue Pr.	SF	129.80
(w) Callander Emer. Gr.	$	83.77
(m) Canada Gtd-Mortgage Fd.	$	10.32
(w) Citadel Fun	$	1.82
(w) Cititrust US $ Equities	$	178.35
(m) Cleveland Offshore Fd.	$	2787.39
(w) Columbia Securities	FL	108.27
(r) COMETE	$	950.26
(w) Convert. Fd. Int'l A Certs	$	16.57
(w) Convert. Fd. Int'l B Certs	$	47.56
(w) Cumber Intl N.V.	$	161.11
(w) Daiwa Japan Fund	Y	12,458
(w) D.G.C.	$	138.48
-(d) Dollar-Baer bond Fd	$	1136.00
-(d) D-mark-Baer Bond Fd	DM	1052.00
-(d) DP Amer. Growth Fd N.V	$	
(d) D. Witter Wld Wide Ivt Tst	$	77.39
(r) Drakkar Invest.Fund N.V.	$	1413.80
(d) Dreyfus America Fund	$	12.01
(d) Dreyfus Fund Int'l	$	46.82
(w) Dreyfus Intercontinent	$	46.26
(w) ECU Multiplacement	Ecu	1815.95
(w) Elysees Long Terme	FF	49,464.29
(d) Europe Obligations	Ecu	70.56
(d) Esprit Sicav	SECU	1011.82
(d) First Convertible Sec. Fd	$	9.58
(w) First Eagle Fund	$	22,120.15
(r) Fifty Stars Ltd	$	1144.13
(w) F.I.T. FUND FF	FF	99.83
(w) Fonselex Issue Pr.	SF	196.75
(w) Formula Selection Fd.	SF	60.96
(d) Fonditalia	$	73.43
(d) Frankf-Trust Interzins	DM	45.32
(w) George V INV. BOND F.	$	15.54
(d) Governm. Sec. Fund*	$	79.58
(w) Hausmann Hldgs. N.V.	$	190.62
(w) Health 2000 Ltd	$	9.22
(w) Hestia Funds	$	123.34
(w) Horizon Fund	$	1762.81
(m) ISEX Holdings Ltd	SF	146.37
(r) ILA-IGB (31/08)	$	9.83
(r) ILA-IGS (31/08)	$	10.35
(m) IncAmerica N.V.	$	11.38
(w) Interecu Fund	ECU	1,818.39
(d) Interfund SA	$	35.74
(w) Intermarket Fund	$	316.58
(r) Int'l Securities Fund	$	28.48
(d) Investa DWS	DM	68.34
(r) Invest Atlantiques	$	15.50
(d) Investisseis Plus	FF	10,574.07
(r) Italfortune Int'l Fund SA	$	42.28
(w) Japan Selection Fund	$	202.31
(w) Japan Pacific Fund	$	221.51
(m) Jeffer Ptns. Intl. Ltd	$	10,434.631
(d) Kleinwort Benson Int'l Fd.	$	24.39
(w) Kleinwort Bens. Jap. Fd.	$	149.74
(d) Korea Growth Trust	$	14.11
(w) Leicom	$	1082.14
(w) Leverage Cap Hold	$	231.43
(d) Liquibaer	$	1457.80
(w) Luxfund	$	121.36
(d) Mediolanum Sel. Fd.	$	38.48
(r) Meteore	Y	129,240.80
(d) Nikko Growth Package Fd.	$	14,346.51
(w) Nippon Fund	$	71.16*
(d) NM Income & Growth Fund	$	12.89
(m) NOSTEC Portfolio	$	79.75
(m) NSP F.I.T.	$	218.56
(b) OPPORTUNITES FUND	$	1025.06
(d) Pacific Horizon Invt. Fd.	$	1834.40
(w) PANCURRI Inc.	$	42.79
(m) Permal Spec. Opp.	$	1135.42
(r) Permal Value N.V.	$	1494.75
(r) Pleiades	$	1434.21
(w) PSCO FUND N.V.	$	
(w) PSCO INT N.V.	$	
(r) Prirap fund	DM	50.57
(r) Pri-Tech	$	1014.47
(w) Quantum Fund N.V.	$	9,759.88
(d) Renta Fund	LF	2833.00
(d) Rente Plus	FB	50,104
(d) Rentinvest	LF	1146.38
(d) Reserve Insured Deposits	$	1180.47
(w) Rudolf Wolff Fut Fd Ltd	$	235.28
(w) Samurai Portfolio	SF	182.48
(d) SCI/Tech. SA Luxembourg	$	15.34
(w) Seven Arrows Fund N.V.	$	1009.12
(w) Strategy Investment Fund	$	28.21
(w) Target Fund	$	1030.00
(w) Techno Growth Fund	SF	73.41
(w) Tokyo Pac. Hold. (Sea)	$	120.32
(w) Tokyo Pac. Hold. N.V.	$	178.80
(w) Transpacific Fund	$	106.98
(w) Trans Europe Fund	Fl	59.36
(d) Turquoise Fund	$	177.40
(w) Tweedy,Browne n.v.ClassA	$	2578.35
(w) Tweedy,Browne n.v.ClassB	$	1673.32
(m) Tweedy,Browne (U.K.) n.v.	$	1116.83
(d) UNICO Fund	DM	77.80
(d) UNI Bond Fund	$	1484.36
(r) UNI Capital Fund	$	1348.47
(d) Univers Bonds	Dm	119.48
(d) US Federal Securities	$	10.43
(w) Vanderbilt Assets	$	14.34
(w) Willerbond Capital	$	12.39
(d) World Fund S.A.	$	12.47

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هكذا من الأصل

International Herald Tribune

WEEKEND

- *Alcestis in Paris*
- *Holy Land Treasures*
- *A Socialite's Sale*

CRITICS' CHOICE

NEW YORK

A Surfeit of Shakespeare

■ It's the kind of thing you imagine happening in Texas: a 100-hour marathon reading of Shakespeare's complete works. A $37 ticket covers all 37 plays, the sonnets and other poems, and permits one to wander in and out for food and sleep — full room and bard, as it were. Tickets to individual plays are also available. This benefit for the Riverside Shakespeare Company starts Oct. 14 at the Shakespeare Center on West 86th Street.

PHILADELPHIA

Ellington's 'Queenie Pie' Triumph

■ Twelve years after his death, Edward Kennedy (Duke) Ellington is still taking audiences by storm. "Queenie Pie," his last major work, has opened in the University of Pennsylvania's Zellerbach Theatre. Most of the audience rose to its feet on opening night when Teresa Barrell, who sang the title role, took her curtain call. Production was long held up by conflicting copyright claims and bitter legal disputes — settled only last March — between Mercer Ellington, the composer's son and heir, and Betty McGettigan, Duke's close associate for the last five years of his life, who collaborated with him on what Ellington called his "street opera" about an aging beauty queen in Harlem. It closes in Philadelphia on Oct. 5, then moves to Washington's Kennedy Center: previews Oct. 8, opening Oct. 11. *(WP)*

NETHERLANDS

Century of Iconoclasm

■ In an unusual nationwide look at a relatively obscure period of Dutch history, seven museums in five cities are coordinating exhibitions on "The Century of the Iconoclasm" — the 16th century. Amsterdam: Rijksmuseum, "Art Before Iconoclasm," through Nov. 23; Municipal Archives, "Turbulent Times," through Nov. 15; Historical Museum, "The Taste of the Elite: Amsterdam Merchants and Their Culture," Oct. 7-Dec. 7. The Hague: Rijksmuseum Meermanno Westreenianum, books, through Nov. 22. Haarlem, Frans Hals Museum, prints by Maerten van Heemskerck,(an example above) through Nov. 23. Rotterdam, Boymans-van Beuningen Museum, "Household Goods of a Miller's Widow," through Nov. 17. Utrecht, Rijksmuseum Het Catharijneconvent, "Papists and Heretics Under Philip II," through Nov. 17.

VENICE

Last Days of Futurism

■ "Futurismo & Futurismi," Pontus Hulten's assemblage on Futurism, is in its final weeks at the Palazzo Grassi. The 1,500 or so paintings, sculptures, documents and other items trace the course of the iconoclastic movement starting with its birth in 1909. Until Oct. 12.

DUBLIN

Donleavy Paintings

■ More than 130 watercolors by the writer J.P. Donleavy, from a series of "Beastly Beatitudes" to nudes, still lifes and portraits, are on display until Oct. 9 at the Godolphin Gallery.

LONDON

Blumenfeld, Kenny: Recent Works

■ Helaine Blumenfeld, an American sculptor, has three kinds of work in a show at Leinster Fine Art through Oct. 11: multipart pieces in terracotta; complex bronzes with patinations including a misty blue-gray that gives the metal the apparent lightness of wood smoke, as in the work "Dreams III" shown here; and highly worked marble. Another sculptor showing recent works (at the Royal Academy of Arts through Oct. 19) is the Liverpool-born Michael Kenny. Formerly a modeler, caster and assembler, he is given to making large floor pieces, such as the series of "Christ on the Cross" in carved Portland stone with steel and painted wood, which achieves an impressive monumentality.

PARIS

New 'Don Carlos' Production

■ Verdi's "Don Carlos," the second of the two operas the composer wrote for the Opéra, where it was first performed in 1867, returns to the company's repertoire on the season's opening night, Sept. 27, in a new production in five acts, sung in French. It will be more complete than any previous Paris performance of the work, including music Verdi was obliged to cut before the world premiere, restored after musicological research in recent years. The last time the work was performed at the Opéra, in a production dating from 1962, it was in the more familiar four-act revision in Italian translation. Georges Prêtre will conduct and Marco Arturo Marelli is the director-designer. After 13 performances, through October, the opera is scheduled to return later in the season in Italian.

TOKYO

Post-Modern Architecture

■ An eclectic exhibition on post-modern architecture from 1960 to 1986 is at the National Museum of Modern Art through Oct. 19. Architects and firms are showing designs, renderings, elevations and scale models, as well as renderings presented as art.

BOUCHER Erotic, Domestic, Sentimental Pastoral, Sumptuous

Paintings by François Boucher: Top, "The Dark Odalisque," Center, "Pensent-ils au Raisin?" (Are they thinking about grapes); Below, "Le Déjeuner."

by Michael Gibson

PARIS — The paintings of François Boucher which are on view at the Grand Palais, (after having been shown in New York and in Detroit) are not only a pleasure for the eye; they are also a mirror of society's tastes in his day, and they have provided a good deal of inspiration all the way down to the present century to makers of porcelain figurines or of sentimental illustrations. A selection of 18th-century porcelain ware and a number of sumptuous tapestries after Boucher's drawings are included in the show.

Boucher, though he painted with the enviable ease that makes him one of the chief virtuosos of the 18th century, never really managed a convincing resemblance in his portraits; he also had problems painting masculine features; he clearly preferred the female of the species. The fields in which he most excelled were the erotic, the domestic and the sentimental-pastoral. He was commissioned to do a few portraits, Madame Pompadour among them (she found the result pretty, though hardly like her), and he also produced some religious works. In one of these the Virgin Mary is given the features of Louis XV's 14-year-old mistress.

This young girl, Louise O'Murphy, procured for the king's pleasure by his valet Lebel, is also the subject of one of Boucher's best and most familiar works, "The Blond Odalisque" (1752). The girl is shown lying nude upon a couch, resting her chin on her hand, her delicately nacreous buttocks at the center of the painting while her juvenile features are turned toward something outside the frame. Boucher is obviously the creator of an erotic type of youthful "cuteness" that many others were to imitate. As for "La Morphise," as Casanova called her, she lost the king's favor for having spoken ill of Pompadour and was retired in her 20s with a comfortable pension.

Another of Boucher's favorite themes touches upon one of the fashionable fantasies of the day: the supposed delights of rural life and the leisurely pastimes of the happy, carefree peasants. This notion found its climax in Marie-Antoinette's playing the shepherdess in Versailles. The myth of the carefree peasant is naturally akin to that of the jolly, childlike slaves on the plantations of the South in the United States and even some of Boucher's contemporaries observed that his shepherds' feet were a mite too clean. But Boucher's skies glow with such a delicious luminosity, and he has created, on the basis of some well-worn fantasies, a form of idyllic landscape complete with mill-wheel, ruined tower, ivy and willow tree, that has practically remained an archetype to this day.

Among his most charming paintings are those depicting indoor scenes of everyday life: a lady tying her garter, a family taking coffee, a woman examining the wares of a "marchande de mode."

Aside from the interest one may find in having a broad overview of his production, and the pleasure one may derive from looking at a number of seductive works, the exhibition of one of the most fashionable artists of the 18th century allows one to get the feel of how the imagination of the nobility tended to work. Diderot objected quite strenuously to Boucher's subject matter — but his preference for Jean-Baptiste Greuze's emetically edifying sentimentality hardly makes his case convincing. Boucher's dreamlike world, which expresses the fantasies of a society quite unconscious of the impeding storms of history, lends credibility to the words attributed to Pompadour: "Après nous le déluge!"

François Boucher, Grand Palais, to Jan. 5.

Pieter Bruegel the Elder died in his early 40s and left two sons, Jan, aged ten, and Pieter, aged five. The boys were to pick up their father's stock in trade and, where he painted with utter originality and empathy with the Flemish peasants of his day, they drifted somewhat towards the picturesque — especially Pieter the Younger. Jan had the better craft of the two and had some powerful connections within the nobility and the church. Pieter did mostly copies of his father's work, some of the good, some sloppy. No one has yet determined how he knew works which, in his father's own lifetime, had been sold and carried to far-away places — to Austria, for instance.

The Galerie d'Art Saint-Honoré, just opened by Monica Kruch, devotes its first show to paintings by the sons of Bruegel, and a number of other painters who found it profitable to satisfy a strong demand for works in the manner of old Pieter. There are about 30 works on view, most of them delightful and of the sort one might relish to have in one's home.

These include a first-rate copy of Pieter the Elder's "Winter Landscape With Bird Trap" by Pieter the Younger — who could do excellent work of this sort when he put his mind to it. Abel Grimmer is represented by an oil painting after a print by Pieter the Elder representing harvesters, and Lucas van Valkenborch the Younger by a Tower of Babel drawn from the same source.

Galerie d'Art Saint-Honoré, 267 Rue Saint-Honoré, to Feb. 28.

Memory Of an Era Well Sold

The drawing room of Mrs. Ethel Shields Garrett.

SOUREN MELIKIAN

NEW YORK — As Christie's auctioneer's hammer went down, closing the bidding on a Portuguese needlework carpet from the estate of Ethel Shields Garrett at $2,420, some of those in the room felt that this was more than the conclusion to a million-dollar sale. An era of American taste geared to a certain lifestyle, which included lavish entertaining, was also coming to an end.

Mrs. Garrett was born in Pittsburgh on May 7, 1891 — not 1886, as news reports had it — and died last March. During those years, the American establishment bridged the gulf between the ages of Louis XV and Louis XVI and modern design. But when her house in Kalorama, on the edge of the embassy area in Washington, received its finishing touches in the 1960s, the 18th-century look was still the order of the day. Period furniture and objets d'art were required only in moderate quantities — a rare marquetry commode here, a couple of *fauteuils cabriolets* in Louis XV taste there, and a modicum of Sèvres, Vincennes or Chantilly porcelain was about enough. Mrs. Garrett followed these rules.

Her drawing room, on the whole, had a French feel. As one walked into the long rectangular room, the eye was caught at once by a huge Aubusson carpet with garlands of roses swirling around a big armorial shield. With its maroon ground and predominantly pink blossoms, it had the desired touch, even if it hardly belonged to the right period. This did not matter; few of the visitors bowing to Mrs. Garrett would have been bothered by the fact that the Aubusson was a Napoleon III remake of a Louis XV model. Certainly no one seemed to mind at the sale. The price, $3,800, which doubled Christie's high estimate, must be a record for a late-19th-century Aubusson slightly stained, torn and backed.

It is a pity that the other focus of the decor could not be tested in the same way. These were two matching landscapes done by Alexandre Dunouy in 1783. They were once part of a Louis XVI period decor in some Paris *hôtel particulier*. Mrs. Garrett had had them set into the wall paneling. They seem to have become so much a part of the structure that they were left to be sold with the house.

Had they been offered at the auction last Saturday, I doubt they would have created a great sensation — authenticity was not the issue that day. Not far from the Dunouys was a pair of commodes stamped by Cramer. Significantly, Christie's chose not to sell them on Saturday; they will be included in the usual mid-autumn sale of important furniture, scheduled for Nov. 4.

Hanging over the commodes was a pair of oval mirrors set in frames of giltwood tracery with a bright blue glass band in the middle. They were a worthy effort at recapturing the glory of the George III style as seen by London cabinetmakers in late Victorian times. Such an association, clashing in style — French Louis XVI and English Neo-Classicism do not marry well — and period would have been unthinkable in Europe.

The seats were arranged in conversational groupings, the main one around the mantelpiece, with lesser clusters in the corners. Louis XV cabriole legs dancing a jig mixed with the prim fluted legs of the Louis XVI style. Striped silk upholstery could be seen side by side with big blossom patterns. Pink and pale yellowish greens mixed happily or, some would perhaps say, unhappily.

The same colors recurred in the porcelain that graced each conversational corner. One could gaze at a pair of Derby figures of Leda and the swan and Europa and the bull, set on a Louis XV-style table, or at a big punch bowl decorated with Chinese ladies in a garden laid, on a low table vaguely Louis XVI in inspiration.

The bull's leg had been "repaired," and Leda's neck also showed some "repair," according to Christie's polite understatement. The punch bowl had "minor short potting flaw at rim, small areas of occasional enamel flaking." A closer look might have raised questions regarding authenticity. Although dated circa 1765 by Christie's expert, the Derby figures were described as late 19th century by another expert, who requested anonymity.

Most Europeans from Mrs. Garrett's social background and sharing her interest in the 18th century, French or English, would have been reluctant to display such pieces. In Washington, such peccadilloes did not matter. The emphasis was on enjoyable parties for many guests, not on solemn receptions peppered with reverent art contemplation.

This could be verified throughout the house. The dining room reminded one of the ads run in the 1960s in glossy art magazines by firms supplying imitation 18th-century furniture — chairs of Louis XV design with serpentine backs, a long mahogany table easily seating 14 guests, and paneled walls with simple moldings. Vitrines in the corners proudly carried late-19th-century porcelain derived from 18th-century models, and Chinese trade porcelain from the service that was often to be seen on the dinner table.

To auction the contents of such a house in Europe would have been a perilous exercise. To sell them piecemeal in the specialized sales aimed at collectors in New York would have been hopeless. A house sale in Washington was impractical because of a lack of parking and security problems with the nearby embassies. The best alternative was a sale at Christie's on Park Avenue.

The title of the low-key catalog was "Fine French and English Furniture, Decorations, Paintings, Ceramics and Oriental Works of Art from the Estate of Mrs. Ethel Shields Garrett." Above this was a color reproduction of the dining-room table set with the Chinese trade porcelain, subtly indicating that what was being sold was the props of a setting, not collector's pieces. The estimates were moderate if one considered the kind of objects offered, huge if measured by the condition of most items.

It was a gamble and it paid off. The Chinese export porcelain service — the description of which began with these none-too-alluring words: "Forty six dinner plates, twenty-seven fritted, eleven cracked, seven chipped, one repaired. Thirty-two soup plates, five cracked" — was estimated at $11,000 to $16,500. It realized $49,500. Decorative objects sold in proportion to what had been their degree of visibility in the house, not to their intrinsic rarity or condition. The Derby figures of Leda and Europa went up to $8,800, while a pair of Derby candlesticks featuring a shepherd and a shepherdess, which had not been quite so exposed to visitors' admiration, was sold for $2,640 immediately thereafter. Both carried an estimate of $2,200 to $3,300.

The total realized was $960,040. Failures accounted for only 2 percent.

What makes Christie's feat remarkable is that the generations that succeeded Mrs. Garrett's largely shifted to other types of interior decoration, ranging from a mixture of styles, with a bit of French Empire, English Regency and Austrian Biedermeier, to 20th-century decors halfway between Art Déco and contemporary design. Christie's trump card was the happy memories of Mrs. Garrett's family, friends and acquaintances. The auction house played this up. The catalog frontispiece was a color closeup of the drawing room, and the next page showed a black-and-white photograph of Mrs. Garrett sitting in a garden. The title to the one-page preface facing the photograph read, "Portrait of a Lady: Mrs. Ethel Shields Garrett (1896-1986)." That Jamesian note was more than most could resist. ■

Tribute to Imperial Influence

by Judith Callander

TOKYO — Commemorating the 60 years of Emperor Hirohito's reign, an exhibition of 200 treasures representing more than 2,000 years of Japanese art and culture is at the Tokyo National Museum.

It is appropriate to honor the emperor with such an exhibit, as perhaps no other aspect of Japanese society reflects the imperial influence more than art and literature.

While a Western king's place in history might be illustrated by accounts of military adventures and conquest, the Japanese monarchs have tended more to be powerless pawns who cultivated the arts, composed poetry, painted and organized court performances. Their ladies wrote some of Japan's most remarkable fiction.

One of the more powerful royal figures was the Empress Suiko, who made a great impact on Japanese culture with the establishment of Buddhism in the first decade of the seventh century. With the religion from the Asian continent came sculpture, painting, literature and music. Just as Latin was the language of learning, and the Greco-Roman style in art and architecture was supreme in Europe, in Asia the Chinese language and arts were revered. No institution cultivated this artistic dependency more than the Japanese imperial court.

The earliest pieces in the exhibit, the Buddhist arts, are difficult for the uninitiated. Much as an Asian might decide that once you've seen one Madonna and Child you've seen them all, the Westerner may lose interest before finding the subtle and sometimes dramatic variations in style of the sculpture and other art of the Buddhist pantheon.

Kosoda, 1610, Man's Kimono.

Sesshu "Winter Landscape.

The development from archaic awkwardness to the round, almost feminine form is evidence of many influences: Chinese, Indian, Persian, even Greek. But all are figures of serenity. Gestures signify hope, healing, the promise of paradise. They contrast with the baroque guardian figures, which express ferocious anger at evildoers.

The secular art of the 8th to 12th centuries is a truly native one. Its literature was illustrated in scrolls such as the exquisite examples from the Goto Museum's "Tale of Genji" of the 12th century. These illustrations are not of actions but of emotional moments, conveyed through subtle color tones accented lyrically by the black of flowing hair, architectural features, the men's lacquered hats.

Quite a different native style is seen in the remarkably realistic portrait of Minamoto Yoritomo, a 14th-century military ruler. Here the artist conveys expression and individuality with striking simplicity. (Recent restoration has revealed that the figure's much-admired monochrome garment was actually elaborately patterned in black.)

Duality — the struggle for the irrepressible Japanese style against the devotion to Chinese standards — is demonstrated in what is probably the most important painting in the exhibit. It is by Sesshu, the 15th-century priest-painter who trained in the Chinese style of ink painting, even traveled to China (where he painted Mount Fuji for the Chinese) and studied the works of the masters. His "Winter Landscape," based on a Chinese model, was ostensibly in the conservative Chinese "Northern" landscape style, but its abstract and angular mountain peaks are pure Japanese.

Japanese art is often dismissed as "decorative" — a term that is intended to be pejorative but should not be so. Not restricted to the geometry of a canvas stretched on a frame, the artist was challenged by the irregular shapes and unusual formats of hanging scrolls, sliding doors, expansive screens, rounded fans, and boxes for scrolls, for letters, for cosmetics. The Japanese aesthetic thus extended to almost every aspect of life. Today one may find a sophisticated design on even the humblest matchbox.

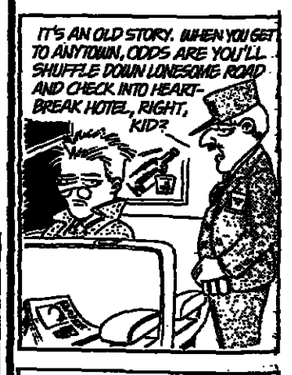
Not surprisingly, the kimono became a work of art. One in the exhibit, a *kosode*, or short-sleeved man's kimono, from 1610, provides a stunning example of a daring design.

In 1868 the Emperor Meiji claimed the throne, moved the capital to Tokyo and neglected the arts in his zeal to modernize. Nor did the government develop an aggressive policy to project its artistic heritage from being sold to foreign collectors. On the contrary, the purchase of Japanese art by foreigners is carefully managed by a "Japan Inc." type of bureaucracy composed of scholars and the art establishment.

This seems inappropriate for the nation that could claim to have the oldest museum in the world, the Shoso-in. Created in 756 by the widow of the Emperor Shomu, who placed their treasures in a storehouse at Nara's Todaiji temple, it had by the 10th century become a repository of art. The original storehouse still stands, though the treasures are stored in a modern building. During the week of Nov. 3, the annual "Culture Day" holiday, about 10 percent are exhibited at the Nara Museum. Many of these ancient pieces are included in the Tokyo show, along with works from collections held by shrines, temples and private individuals. The exhibition, which runs until Oct. 19., will move to the Kyoto National Museum during November. ■

Judith Callander is a writer based in Tokyo.

DOONESBURY



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WEEKEND

Robert Wilson Meets Euripides

by David Stevens

PARIS — This city's annual Festival d'Automne has its usual heavy American participation again this year. The opening weeks bring new work from familiar artists: Robert Wilson, whose singular theatrical inventions are indeed better known in Europe than in the United States; and Twyla Tharp, whose ultra-kinetic dance company is in Paris for the first time in six years.

Wilson is here with Robert Brustein's American Repertory Theater of Cambridge, Massachusetts, and his production — or expanded paraphrase — of Euripides's "Alcestis" first performed earlier this year at the ART's home theater. It is said that Brustein beckoned and Wilson responded in the knowledge that the director is scheduled to stage Gluck's "Alceste" for the Stuttgart Opera later this season.

In any case, this "Alcestis" is a departure for Wilson from his visionary, hallucinatory, slow-motion essays on historical figures (Freud, Edison, Stalin, Einstein etc.), and his first confrontation with a classic text, Euripides's earliest extant play, a profound and earthy story of sacrifice and resurrection. Although it plays at less than two hours — which must be a speed record for a Wilson production — it is so dense in imagery, sound events, and obscure symbolism that the time span is not enough to absorb everything, but the pictorial effects are so striking and sensuous that it does not much matter.

Euripides is there, but at several removes. The text is the English translation by Dudley Fitts and Robert Fitzgerald, which Wilson has dismantled and reassembled and transmogrified to suit his own purpose. Some of it comes directly and naturalistically from the mouths of actors, while other parts are electronically detached from the source. There is also a soundscape that includes bird calls, clockwork ticking and, at the end, an apocalyptic roar of hovering helicopters.

Wilson has provided the play with a prologue written by the East German playwright Heiner Müller, called "Description of a Picture," which is delivered on tape by overlapping voices and so cannot be taken in coherently by the unaided ear. As this goes on, the stage picture includes a mummified figure on one side wall framed by a kind of sarcophagus, a stone wall through which can be seen Heracles carrying his club, the sleeping Admetus, and Death as a white humanoid figure with large wings.

The play proper, so to speak, takes place before a craggy mountain range, backlit as if by a setting sun, that gives occasional signs of hidden activity. A river flows through the stage from one wing to another; it is not only the Styx, a place of death, but like the Ganges, a place of purification. What seem at first to be three trees become three Greek columns and then, when Heracles descends to wrest Alcestis from the underworld, three shrieking chimneys. At the end a laser beam burns a hole in the mountainside to reveal a glowing red interior — a seemingly dead mass burning with inner life.

The characters allowed naturalistic expression are all too human. Fur-clad Heracles (Harry S. Murphy) as crude and as good-hearted as a Texas frontiersman; Admetus (Ken Howard) querulous over the shortage of candidates willing to die for him, and his father Pheres (Jeremy Geidt), head encased in what looks like an oxygen tent, equally irritated at the ingratitude of children; and the servant (Thomas Derrah) setting the table for Heracles's banquet, a clown in tails that drag on the floor, a disgruntled waiter who vents his spleen in a long virtuoso comic tirade.

Unlike the happy, deus ex machina ending of Gluck's opera, the ending here is ambiguous. It is not certain that the veiled figure Heracles leads to Admetus as really his dead wife, and even less so when she multiplies into three identical figures. Alcestis is not allowed to speak for three days, Admetus has sworn not to take any new woman, and Heracles seems amused at his friend's discomfiture. At Cambridge the piece had an *epilogue in the style of a kyogen*, a Japanese comic interlude, but it has been dropped for the performances here - which conclude with one performance Saturday and two on Sunday at the MC-93 theater in the northern suburb of Bobigny.

Wilson's collaborators for "Alcestis" were Tom Kamm for sets, John Conklin for costumes, and Jennifer Tipton for lighting.

In the large theater of the Palais de Chaillot, the first of two programs by the Twyla Tharp Dance Company offered her 1979 "Baker's Dozen," set to a series of piano pieces by Willie (The Lion) Smith, and her new "Philip Glass Piece," which had its premiere earlier this year. Both are joyful affairs, full of the choreographer's quirky, witty, whimsical ideas and driving energy.

"Baker's Dozen" — the title is a little baffling because there are only 12 dancers, although the (taped) pianist makes 13 — can be seen as Tharp's response to Jerome Robbins's "Dances at a Gathering," an exercise in pure dance but alive with social interplay beneath the surface.

In Santo Loquasto's white costumes of dressy informality, it could be preppy garden party. The style ranges from ballet to ballroom parody, with breathtaking dives, holding the partner upside down, slides and other stunts of showoff virtuosity. In groups of two, then three and more, with quick changes of partners, the movement suggests the ebb and flow and the eventual winding down of a sociable afternoon. At one point the wings seem to have an almost magnetic attraction, and dancers pop out onto the stage and then are sucked back out of sight by some invisible force.

In recent seasons, Tharp has spread out her choreographic activities, having been responsible for the dance in the film "Amadeus" and for the reconstruction on Broadway of "Singin' in the Rain," and new ballets for American Ballet Theater and New York City Ballet as well as for her own company.

"Philip Glass Piece" has all the Tharp fingerprints while at the same time showing a heightened sense of development with the music. In this case, the "minimalist" music of Glass seems to develop languidly by starting with strings and step by step adding different families of instruments and, at the climax, a chorus.

Norma Kamali's costumes are at first vertical black-and-white-striped tops and slacks, like stylized sweatsuits, giving the whole group of dancers a unified appearance that fragments bit by bit as the outer costumes come off to reveal red shorts and sleeveless tops in different styles. One group of girls has little skirts, like practice dance wear, while another's is similar but without the skirts, more like a gym class. By the same token, some of the shoes are gym shoes, but other parts are danced on pointe. The piece has all the vitality, the quick inventiveness and exuberance of Tharp and company at their best.

The company gives this program again Saturday night, and on Sunday afternoon another program of "Mozart Piece" (1986), "The Fugue" (1970) and "9 Sinatra Songs" (1984).

The Festival d'Automne also has scheduled two productions by Richard Foreman, "The Cure," at the Théâtre de la Bastille through tomorrow, and "Africanis Instructus" Oct. 23-Nov. 2 at the Centre Pompidou; and dance programs by Douglas Dunn Sept. 29-Oct. 5 at Centre Pompidou, and Karole Armitage Oct. 6-11 at Bobigny. ■

Mark Enguerand

Death in Robert Wilson's " Alcestis."

Holy Land Treasures

by Grace Glueck

NEW YORK — Though it is roughly two years behind schedule, thanks to the controversy that has swirled about it, "Treasures of the Holy Land," a show of art and artifacts from the rich cultural terrain of Israel, finally opened to the public this week at the Metropolitan Museum.

The largest and most important exhibition of ancient art from Israel ever to travel abroad, the show presents nearly 200 objects spanning 12,000 years, from carved bone animals of the Neolithic period to a mosaic synagogue floor made in the sixth century. In its totality, the show is a moving expression of the spirit of the Holy Land, conveying a fascinating sense of the grand, prodigal hodgepodge of people and cultures out of which emerged the basis for Judeo-Christian civilization. Although it has the word "treasures" in its title, which calls to mind the "Tut" extravaganza of the late 1970s, "Treasures of the Holy Land" is a more subtle show, rewarding close attention to its works. Though it makes numerous and concrete connections with the Bible, it is not a Biblical show, nor is it by any means devoted solely to the Jewish people. It also includes Christian, Moslem, Egyptian, Canaanite, Philistine, Phoenician, Persian, Roman, Greek and Nabatean relics, along with those of unnamed peoples who go back to the dawn of history.

Although the show's emphasis is on objects of aesthetic interest, some have been included for their outstanding archaeological or historical worth. Two fragments from the Dead Sea Scrolls remind us that the Jews were always people of the Book — although occasionally, as this show reveals, they broke away from their proscription against graven images to produce compelling works of art.

Of Roman relics, one of the most important is a broken stone tablet (A.D. 26-36) found in Caesarea, whose fragmentary inscription indicating that Pontius Pilate was the Roman prefect of Judaea at the time, provides the only physical evidence to support the New Testament's mention of Pilate. Another "only" in the show is a first-century plaque marking the final burial place of Uzziah, the "leper king" of Judah, who died in the eighth century B.C. It is the sole ancient object on which the name of a king of Judah appears.

The objects put the viewer in close and stirring touch with the beginnings of art, history and literature. Three carved ivory figures from the fourth-millennium Chalcolithic period (4500-3150 B.C.), which bridged the Stone and the Bronze ages, a man and two women, are at once profoundly "primitive" and at the same time, in their primal simplicity, evocative of modern art. The man, almost skeletal, has a face that is large-nosed but mouthless, and perforated with holes that were probably used to attach hair and a beard. One of the women, pregnant, is lithe and youthful; the other, smaller and more humble, has the sensual quality of an earth mother. By contrast, from Old Testament times (eighth century B.C.), there is a group of highly sophisticated, intricately carved ivory miniatures from the palace of the Israelite kings in Samaria, the palace whose luxury was decried as "corrupt" by the Biblical prophet Amos a century later.

The Canaanites, roundly denounced in the Bible for their idol worship, are represented here by a number of intriguing objects, dating between 3150 and 1200 B.C. One is a "snake" jug, whose eloquently rounded body has a handle made from two realistically crawling snakes. Another is a much cruder pottery "cult" stand from five centuries later, embellished with animals and more fanciful creatures, and including a sensual female deity holding the ears of two lions.

No less fascinating are the surreal objects that comprise the Judaean Desert Treasure, a trove of copper pieces from around 4500 B.C. found in a cave punched in a steep cliff. The strange, spiky shapes of these mace heads, crowns and other objects of more mysterious function are sometimes adorned with animal forms, and in their quirkiness suggest Surrealist works of the early 20th century.

Sculpture of a much more primitive kind, recalling Stonehenge, is seen in the so-called "Shrine of the Stelae" from the Canaanite city of Hazor, an endearingly miniature shrine of basalt replete with 10 stelae, a male priestly figure, an offering table and a guardian lion. None of the pieces is much more than two feet high (60 centimeters), but the effect is monumental. A far flashier piece, certainly the show's most spectacular, from the first century, comes much closer to our own time and sense of history. It is a magnificent torso-length statue of the emperor Hadrian — who as Roman ruler oppressed the Jews — found in the ruins of a Roman military camp at Tell Shalem. While marble Hadrians abound, this is the only known bronze version.

"Treasures of the Holy Land" will appear at the Los Angeles County Museum of Art from April 9 to July 5, 1987, and then at the Museum of Fine Arts in Houston, from Oct. 10 through Jan. 17. ■

© 1986 The New York Times

The Emperor Hadrian, bronze torso.

INTERNATIONAL ARTS GUIDE

BELGIUM

BRUSSELS:
●Palais des Beaux-Arts (tel: 512.50.45).
—To Oct. 19: An Coeur du Maelstrom: film and plastic art by contemporary artists.

ENGLAND

LONDON:
●Barbican Centre (tel: 638.41.41).
—To Oct. 19: Photographs by the American photographer W. Eugene Smith (1918-78).
— To Oct. 5: Paintings (1928-41) by the Indian poet and philosopher Rabindranath Tagore.
●British Museum (tel:636.15.55).
— To Feb. 15: Archaeology in Britain: New Views of the Past; discoveries and achievments of the past 40 years.
●Hayward Gallery (tel: 928.57.08).
—To Oct. 5: L'Amour Fou, photography and Surrealism. 200 photographs by artists and photographers associated with Surrealism, including André Breton, Magritte, Dali, Man-Ray, Brassai and Kertesz.
— To Oct. 5: Dreams of a Summer Night: Scandinavian painting at the turn of the century.
●Royal Academy of Arts (734.90.52).
— To Nov. 19: Je Suis le Cahier: The Sketchbooks of Picasso.
— To Oct. 19: Michael Kenny, recent sculpture, reliefs, drawings.

FRANCE

PARIS:
●Centre Georges Pompidou (tel: 42.77.12.33).
— To Oct. 13: A showing of 250 works of sculpture from between the years 1900-1970, entitled, What is modern sculpture?
— To Sept. 29: Abstract figurative works by Alberto Magnelli: 35 collages and 30 drawings, 1932-1964.
●Louvre des Antiquaires (tel: 42.97.27.00).
—To Sept. 28: Three Centuries of Spanish-American Gold and Silver Work; 17th-19th century works from the Fernandez-Blanco museum in Buenos-Aires.
●Maison du Danemark.
—To Oct. 5: Biographical exhibition, with photographs, videotaped interviews of author Karen Blixen (Isak Dinesen).
●Musée Bourdelle (tel: 45.48.67.27).
— To Sept. 28: Arbit Blatas and the School of Paris.
●Musée Cernuschi (tel: 45.63.50.75).
—To Oct. 12: Animal art motifs in Japan from the the time the Shoguns, 18th-19th centuries.
●Musée de la Mode (tel: 47.20.85.23).
— To Oct. 12: Paul Poiret and Nicole Groult, masters of art deco fashion.
●Musée du Louvre (tel: 42.60.39.26).
— To Sept. 29: Words in Drawing: 130 recently acquired drawings of the 16th-18th century, including works by Dürer, Felicien Rops, Delacroix, Ingres, Goya.
●Galerie Jean Briance (tel: 43.26.85.51).
— To Oct. 31: Watercolors by Swiss artist Samuel Buri.
●Pavillon des Arts, Les Halles (tel: 42.33.82.50).
—To Nov. 16: Works by abstract expressionist artist Sam Francis from the Idemitsu museum in Tokyo.

NIMES:
●Musée des Beaux Arts (tel: 66.67.38.21).
— To Sept. 30: Francis Picabia retrospective.

VALLAURIS:
●Atelier Sassi-Milici (tel: 93.64.34.40).
— To Sept. 30: 80 ceramic works by Picasso, from the collection of Jaqueline Picasso.

STRASBOURG:
Musica '86, festival of contemporary music, until Oct. 3: Includes the works of composers Stockhausen, Dufourt, Berio, Ligeti; jazz (Willem Breuker Collective), ballet (Karole Armitage), and cinema. (tel: 88.75.19.88).

GERMANY

BONN:
●Rheinisches Landesmuseum (tel: 63.21.58).
—To Sept. 29: German Art at the time of the 1936 Olympics.

BERLIN:
●Academie der Kunst (tel: 391.10.31).
— To Oct. 19: A documentary exhibition to mark the centennial of the birth of the pioneer of modern dance Mary Wigman (1886-1973).
— To Oct. 19: Naum Gabo: 60 years of constructivism.

COLOGNE:
●Josef-Haubrich-Kunsthalle.
— To Nov. 2: Loans from the Museum of Indian Art in Berlin and the Museum of Ethnography in Munich contribute to an exhibition entitled "Treasures of Indian Art," illustrating art in India from 200 B.C. to the 19th century. The 123 exhibits show the influence of Buddhism, Hinduism and Jainism, and also include Indian and Mongol miniatures.

ESSEN:
●Villa Hügel.
—To Nov. 2: The largest showing to date of art from East Germany in the West, entitled "Baroque in Dresden — A European Metropolis in the 18th Century." Over 600 works from royal collections from the period 1694-1733.

HEIDELBERG:
Heidelberg Castle:
—To Oct. 19: The Renaissance in Southwest Germany, in honor of the 600th anniversary of the founding of the University of Heidelberg, includes works of art, manuscripts, armor, household and early scientific objects.

NUREMBERG:
●Nationalmuseum.
— To Sept. 28: Gothic and Renaissance Art in Nuremberg from 1300-1550.

ITALY

ROME:
●Museo Nazionale delle Arte Tradizioni.
—To Nov. 30: Nearly 500 works of 19th century gold- and silverwork by Italian craftsmen.

VENICE:
●Ca' Pesaro.
— To Oct. 5: Private collections from Europe and North America contribute to an exhibition of 160 works by Swiss artist Paul Klee ranging from 1896 to 1940.
●Giardini di Castello.
— To Sept. 28: The 42d Venice Biennale has as its theme 'Art and Science,' and explores the relationship between the visual arts and new technology.
●Palazzo Ducal (tel: 249.51).
— To March 1, 1987: China in Venice. An overview of Chinese civilization seen through art from the Han dynasty to the time of Marco Polo (25-1279 A.D.).
●Palazzo Fortuny (tel: 70.09.95).
— To Nov. 2: Jewels from the 1920s-1940s; Cartier and masters of decorative art.

THE NETHERLANDS

AMSTERDAM:
●Rijksmuseum (tel: 63.21.21).
—To Nov. 23: The centerpiece of six current exhibitions on Dutch art and society in the 16th century. Art Before Iconoclasm: Northern Dutch Art, 1525-1580, a general exhibition of 16th century art, includes paintings, prints, drawings, sculpture, and applied arts.
●Van Gogh Museum (tel: 76.48.81).
—To Nov.: Gaugin and the Pont Aven school, a survey of the printwork of Paul Gaugin and the Pont Aven, Brittany artists.

EINDHOVEN:
●Van Abbemuseum (tel: (40).44.92.31).
— To Nov. 9: The museum celebrates its 50th anniversary by exhibiting for the first time its entire collection of 1500 works of 20th century art.

ROTTERDAM:
●Museum voor Volkenkunde (tel: 010.4111.055).
— To Jan. 4: Trade and cultural exchange between the Netherlands and Japan since 1600. Nearly 500 objects, from Japanese and Dutch museums.

SPAIN

MADRID:
●Centro de Arte Reina Sophia.
—Sept. 30-Nov. 30: Julio González (1876-1942); sculpture, painting, and pastels.
●Fundacion Juan March (tel: 435.42.40).
—To Nov. 9: Spanish Art in New York (1950-1970). 78 works by 35 Spanish artists from a private collection.
●Museo del Prado (tel: 468.09.50).
—To Sept. 30: 18th century Spanish, French and Italian painting from the museum's collections.

SWITZERLAND

BASEL:
●Museum of Fine Arts (tel: 22.08.28).
— To Oct. 19: "Claude Monet: Nympheas, Impression — Vision" brings together works from collections worldwide focusing on Monet's studies of his Giverny garden, flowers and water-lilies.

GENEVA:
●Musée de l' Athenée (tel: 29.75.66).
— To Sept. 28: Norman Impressionists: paintings of the Rouen school.

LUGANO:
●Villa Favorita (tel: (091).521.741).
— To Oct. 15: Works by Goya from private Spanish collections.

MARTIGNY:
●Fondation Pierre Gianadda (tel: 026.39.78).
To Nov. 2: Over 200 works by Alberto Giacometti, in commemoration of the 20th anniversary of the artist's death.

Photos by: Bischof, Burri, Capa, Cartier-Bresson, Erwitt, Hass, and other Magnum photographers.

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NYSE Most Actives

	Vol.	High	Low	Last	Chg.
BorgWa	54518	38¼	34½	34½	−2
RelGp n	35502	10⅝	10	10	
HewlPk	26482	38⅝	37⅛	37⅝	−1⅞
USX Cp	23923	24⅛	23	23⅞	+ ¼
LuckyS	22555	36	35½	35⅝	− ⅛
AldStr s	22315	61¾	60½	61	− ½
AmMot	21717	3	2⅞	3	+ ⅛
SCalEd	16992	34	33	33⅞	
Gelco	11333	23½	22	23⅞	+4⅞
IBM	11000	136⅛	135	135½	− ¼
AmHes	10998	22½	20	21½	+1
BethStl	10585	7⅜	7⅛	7⅛	− ⅛
AT&T	9898	23¼	22⅞	22⅞	− ⅛
MesaP n	8533	3⅞	3⅝	3⅝	− ⅛
FordM s	8507	51⅛	50⅛	50⅛	−1⅛

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	91.80	+0.04
Utilities	92.09	+0.15
Industrials	89.90	−0.08

Market Sales

NYSE 4 p.m. volume	115,270,000
NYSE prev. cons. close	144,479,950
Amex 4 p.m. volume	8,328,000
Amex prev. cons. close	9,080,000
OTC 4 p.m. volume	84,586,200
OTC prev. 4 p.m. volume	102,452,000
NYSE volume up	51,271,700
NYSE volume down	47,895,500
Amex volume up	2,709,000
Amex volume down	2,002,900
OTC volume up	n.a.
OTC volume down	n.a.

NYSE Diary

	Close	Prev.
Advanced	774	408
Declined	736	1282
Unchanged	459	339
Total Issues	1969	1949
New Highs	22	21
New Lows	8	19

NYSE Index

	High	Low	Close	Ch'ge
Composite	134.60	133.27	133.94	+0.17
Industrials	153.59	152.12	152.84	+0.19
Transp.	114.75	113.62	114.15	+0.14
Utilities	73.22	72.55	73.10	+0.22
Finance	141.99	140.93	141.49	−0.14

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Sept. 25	197,267	402,140	4,392
Sept. 24	230,719	406,829	22,953
Sept. 23	234,932	444,797	41,453
Sept. 22	214,810	465,976	84,221
Sept. 19	372,602	512,311	156,683

*Included in the sales figures

Friday's NYSE Closing

Via The Associated Press

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1759.42	1788.10	1758.14	1769.69	+ 1.13
Trans	782.00	793.50	775.13	784.25	− 0.25
Util	201.31	203.86	199.40	201.75	
Comp	697.98	708.19	693.26	701.06	+ 0.18

AMEX Diary

	Close	Prev.
Advanced	288	172
Declined	247	389
Unchanged	238	232
Total Issues	773	793
New Highs	4	4
New Lows	12	17

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	258.41	255.83	256.68	+0.33
Transp.	190.58	187.90	189.15	+0.53
Utilities	111.12	109.51	110.71	+0.68
Finance	27.18	26.85	27.07	−0.07
SP 500	233.48	230.64	232.23	+0.40
SP 100	—	—	219.79	+0.58

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	351.61	+0.12	349.43	280.01
Industrials	345.08	+0.08	342.97	284.29
Finance	483.64	+0.26	477.31	344.42
Insurance	424.91	−0.64	425.46	327.02
Utilities	319.71	+0.87	318.63	265.21
Banks	487.82	−0.86	482.47	296.42
Transp.	322.56	+1.07	317.87	254.22

NASDAQ Diary

	Close	Prev.
Advanced	987	727
Declined	974	1,338
Unchanged	2,469	2,365
Total Issues	4,430	4,430

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Spctrm s	5676	12½	12¼	12⅜	
Vernit	5429	12⅝	11	12	+1⅛
Wickes	5186	4⅞	4½	4⅝	
BAT	4802	4⅞	4⅝	4⅝	+ ⅛
AM Intl	2578	5⅞	5¼	5⅝	− ⅛
HmeSh s	2498	43⅝	40	42	− ¼
HmeGp	2381	20	19⅝	19⅝	+ ⅛
EchoB g	2082	21½	20⅝	21⅛	− ⅛
WangB	1754	13⅛	12⅝	12⅞	− ⅛
HmHar	1606	17	16¼	16⅞	− ⅛
Hasbr s	1253	27⅜	26⅝	27⅛	+ ⅛
Dillrd s	1138	35⅞	35	35⅝	− ⅛
InfThr	977	1⅝	1½	1⅝	
ImpOil g	832	33⅝	33⅛	33½	
Husky g	807	6½	6¼	6½	+ ⅛

AMEX Stock Index

High	Low	Close	Ch'ge
262.51	261.08	261.98	+0.57

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Edges Up; Volume Light

Compiled by Our Staff From Dispatches

NEW YORK — Prices on the New York Stock Exchange were slightly higher Friday after a confusing day of ups and downs.

The Dow Jones industrial average, which fell 34.73 Thursday, closed 1.13 higher at 1,769.69. Advances had a slight edge on declines, 767-743.

Volume was 115.51 million shares, down from 134.29 million shares Thursday.

Prices were higher in moderate trading of American Stock Exchange issues.

Stocks came under pressure early in the day from a declining bond market, but bargain hunting and movement into stocks that are rumored takeover targets provided some lift.

"It was just an uncertain day in a slow market," one trader said.

Frank Korth of Shearson Lehman Brothers said, "This market was just so wrapped up in the idea that it would see a stronger economy, but it was disillusioned when nothing came of it."

Mr. Korth noted that in July and August investors sold off their consumer stocks in favor of cyclical stocks, believing that the U.S. economy would strengthen. "Now they are disappointed," he said, "taking their money out of cyclicals and settling into cash positions."

He said that as people moved into cyclical stocks, there was aggressive buying of computer stocks. Now, not knowing where the leadership is, computers, as well as some other stocks, came under pressure.

Digital Equipment plunged 3⅛ to 89½. Data General 1⅜ to 29, Cray 4 to 76, and IBM ¼ to 135½. Hewlett-Packard, which announced Thursday that delivery of its long-awaited new minicomputers would be delayed, was the second most actively traded stock, falling 1⅞ to 37⅝.

Honeywell, however, gained 2⅜ to 72⅜. Earlier this week, the company announced a restructuring plan.

Other stocks associated with takeovers, or rumored to be candidates of takeovers, continued to provide some strength to the market.

Gelco Corp. rose 4⅞ to 23⅞. Conisten Partners said it had offered to negotiate a transaction for at least $22.50 a share for Gelco.

Anderson, Clayton rose 4½ to 70. Quaker Oats said it would pay at least $65 a share for Anderson, Clayton. Quaker rose 1 to 73.

Another suitor for Anderson, Clayton, Ralston Purina, held a board meeting Friday in which its bid for Anderson, Clayton was said to be the topic. Ralston Purina rose ¼ to 63⅛.

■ Prices Sharply Lower in London

Prices on the London Stock Exchange dropped sharply Friday for the second consecutive day, depressed by continuing concern that the pound's weakness could prompt an increase in the 10-percent base interest rate, The Associated Press reported.

The Financial Times Index of 30 industrials closed at 1,238.4 down 3.9, and the FT 500-share index was 848.61, down 7.16.

The government-bond market "has collapsed over the past few days and has pulled the equity market down," a broker said.

(Continued on Page 16)

Slower Gr… Is Predicte… All Countr…

By Juris Kaza

The Nordic countries have been blessed with a measure of luck and success in coping with economic problems.

هكذا من الأصل

International Herald Tribune Special Financial Report
Saturday-Sunday
September 27-28, 1986

Nordic Banking

Slower Growth Is Predicted in All Countries

By Juris Kaza

STOCKHOLM — Beset by a range of problems, all the major Nordic economies are expected to have slower growth than the average for other industrial countries, economists say.

"After some years of more favorable economic growth than the rest of Western Europe, the Nordic area now faces a reverse trend," according to a recent survey in the Nordic Economic Outlook, published by industry federations in Denmark, Finland, Iceland, Norway and Sweden. "Weak growth is forecast for 1986 in all countries."

The report said that gross domestic product in the Nordic countries would grow 2.4 percent in volume terms in 1986, compared with 2.6 percent for the other European members of the Organization for Economic Cooperation and Development. In 1987, it forecast that the gap would widen to 3-percent growth for European OECD economies and 2.2 percent for the Nordic area.

> The Nordic countries have been blessed with a measure of luck and success in coping with economic problems.

Sweden, the largest of the region's economies, is expected by economists to perform best. Oil-producing Norway could have some of the most acute problems if significantly lower oil prices persist.

Analysts caution, however, that all the Nordic economies are interlinked. For instance, about a third of Sweden's exports go to its Nordic neighbors.

"The situation is best in Sweden and worst in Norway," said Olle Djerf, a senior vice president and head of economic research at Sweden's PK Banken. The Nordic Economic Outlook said the growth of Norway's gross domestic product would be cut by nearly half in 1987 to 1.7 percent from 3.3 percent this year.

"The Norwegian situation is terrible," said Lillemor Thalin, a vice president and economist at Svenska Handelsbanken. "In Denmark, you still have the problem of the balance of payments, and Finland has competitiveness problems."

Except for Norway and Finland, however, the Nordic countries have been blessed with a measure of luck and success in coping with individual economic problems.

The root of Norway's problems is falling oil prices, which have suddenly reduced revenues available for financing high labor costs and which now expose the competitive disadvantages of the nation's "onshore" industries.

The Nordic Economic Outlook forecasts that Norway will have the highest inflation rate, at 7.5 percent, of the large Nordic countries and a current account deficit of nearly 18 billion kroner ($2.322 billion) in 1986, almost doubling to more than 35 billion kroner in 1987.

What worries economic observers most is that despite Norway's May devaluation of the krone and recent measures to cut oil output during the last two months of 1986, there does not seem to be much crisis consciousness in the government.

Tor Moursund, president of Christiania Bank og Kreditkasse, recently said at a seminar in Stockholm that "crisis consciousness is something the politicians haven't understood. The Norwegian people are aware of the need to take strong measures. I hope that the changes which have been so dramatic for Norway in the last year will make it easier for the government to act."

Mr. Djerf of PK Banken said: "Finland is into a weak growth cycle, with their exports to the Soviet Union falling at the same time as Finland is experiencing problems with competitivenes that affect its exports to the West. It's the first time this has happened simultaneously."

The Nordic Economic Outlook reported: "Due to problems with exports, Finland will not benefit greatly from lower oil prices and from the anticipated recovery of Western markets."

Miss Thalin of Handelsbanken said, "The old classical Swedish problems of spiraling wages and prices are much lessened now. But the reasons are almost exclusively external: falling oil prices, falling interest rates and the lower dollar."

Mr. Djerf said, "It looks suspiciously good here in Sweden on all the economic indicators. Inflation is down from 6 percent at the start of the year to around 3.5 percent, the current account surplus stands at 7 billion kronor [$1.014 billion], and there has been an unexpectedly good development of government finances."

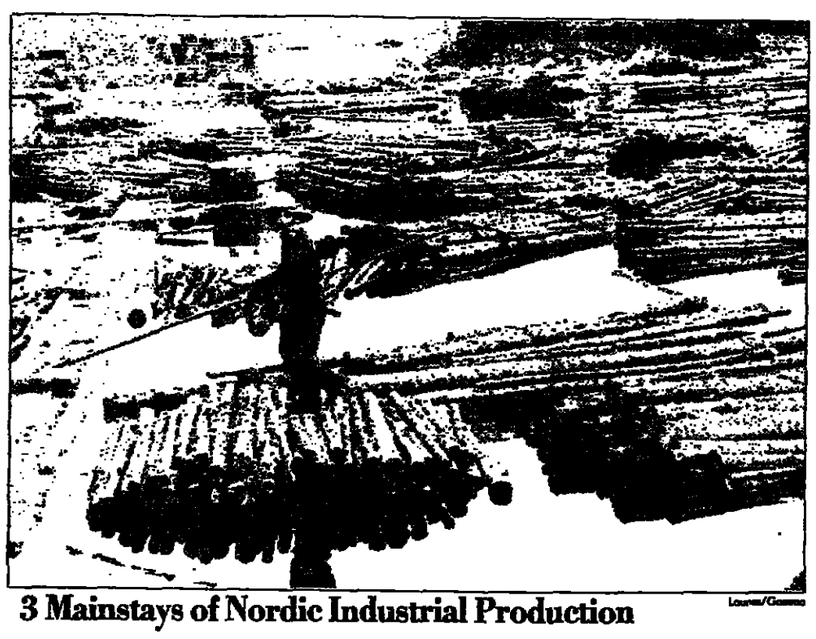
Even Iceland, beset for years by rampant inflation and heavily dependent on its annual fishing catch for export performance, is looking to a relatively optimistic future.

"We have got control of inflation and it's coming down to between 8 and 10 percent this year," said Hjoertur Hjarter, chief economist of the Federation of Icelandic Industries. "Now, we want to see industry have a bigger share of exports compared to fisheries products."

Iceland's inflation, for many years near 50 percent annually, was 30 percent in 1985. Seafood still comprises about 70 percent of the island nation's exports, but Mr. Hjartar noted, "We have good development in small industry — for instance, electronics for the seafood industry and products such as information systems for fishing vessels."

In Denmark, reducing the chronic current account deficit may be a slower process than forecast earlier in the summer, but other aspects of

Continued on page 12



Lauren/Gamma

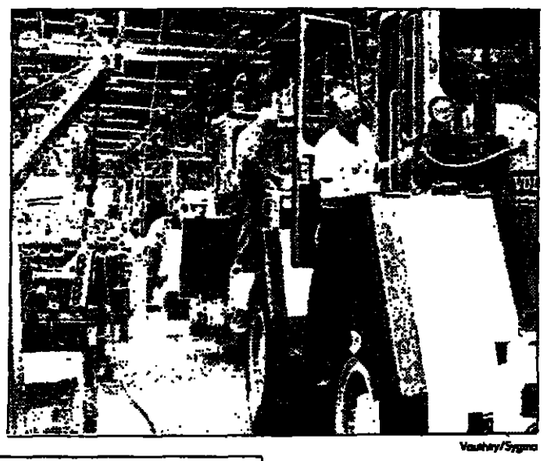
3 Mainstays of Nordic Industrial Production

Above, timber is being readied for production in Finland, a leading exporter of newsprint. Below an assembly line at a Volvo truck and automobile plant in Goteborg, Sweden; below left, an oil rig near Stavanger, Norway, whose economy and oil industry are facing a crisis.

KEY INDICATORS

Denmark	
Net Trade	- $0.8 bil.
Current Account	- $2.7 bil.
Finland	
Net Trade	$0.9 bil.
Current Account	$0.8 bil.
Iceland	
Net Trade	0
Current Account	- $170 mil.
Norway	
Net Trade	$3.9 bil.
Current Account	$3.2 bil.
Sweden	
Net Trade	$3.7 bil.
Current Account	$0.3 bil.

Source: OECD, Central Bank of Iceland.



Vautrey/Sygma

Competition Spurs Moves to Diversify

By Michael Metcalfe

COPENHAGEN — Spurred by the impetus to improve earnings that have been narrowed by liberalization and its subsequent creation of a more competitive climate, Nordic banking in 1986 was characterized by a trend toward diversification into new financial services.

The pace of officially sanctioned deregulation has slowed in recent months, and commercial banking has turned to innovation and adaptability.

In Sweden, the major banks were relieved of the burden of interest costs increasing at a faster pace than interest earnings, as the tough monetary stance of the Swedish central bank, the Riksbank, gave way to an easier credit policy and lower interest rates.

In Norway, there was a surge in bank lending as commercial banks competed hard for market shares; Denmark forced the pace of change by plans to introduce electronic trading and to extend trading rights on the Copenhagen bourse, and Finland overhauled its traditionally staid banking environment by restructuring its financial system.

Until 1985, the central banks had assumed the role of prime movers in loosening the bonds of banking regulation; by 1986, the burden of change had shifted to the commercial banks.

The arrival of foreign banks in Norway during 1985 and in Sweden this year has, according to several Nordic bankers, served as a catalyst to speed up the reform of the domestic capital markets of Oslo and Stockholm and to nudge banks into competing more freely in the provision of financial services.

Sten Wahlberg, director-general of the Swedish Bank Inspection Board, said: "The new banks will cause intensification of the already stiff competition in the sphere of various types of services carrying a commission, such as international payment transfers, international financing, other international operations, activities in the money and capital markets and stockbroking business."

More germane to the present Nordic banking environment is the unwinding of the internal capital and money markets, a development that has been encouraged by the region's central banks. In both Sweden and Norway, recent governments have sought to abolish or relax many of the monetary controls binding the commercial banks since World War II.

With the removal of a large number of interest rate controls in November 1985, the Swedish authorities took a major step forward in the process of deregulating financial markets, a process that had been under way since the early 1980s. The main measures included the removal of existing ceilings on lending by banks, mortgage institutions and finance companies, as well as the replacement of the penalty rate charged on bank borrowing from the Riksbank above a certain level. The new system established an interest-rate scale rising in steps according to the amounts borrowed.

While the range of financing methods has become much more diverse since the early 1980s, certain restrictions remain in force and include no financial futures or currency options. However, financing opportunities are likely to increase as changes in the institutional structures now under way make the Stockholm stock market and capital markets more competitive internationally, especially with the entry of foreign bank branches.

In April 1986, the Riksbank came out in favor of a phased relaxation in the country's nearly 50-year-old foreign exchange controls. The most important measure permits Swedish corporations to finance direct investments abroad through recourse to borrowing on the domestic capital markets. Companies hitherto had been required to finance direct investments abroad through loans in foreign currency over at least five years.

The Riksbank also recommended that restrictions on the purchase of foreign shares and foreign property by Swedish residents be removed, but at a later stage. Prohibitions on Swedish portfolio investments abroad in any financial instruments other than shares and reciprocal foreign portfolio investment restraints in Sweden will continue to remain in force for the time being.

However, Swedish banks will be allowed, within certain limits, to take part in third-country financing for the first time. At present, they can make foreign loans directly related to Swedish trade or investments abroad only. Smaller firms may also be given the right to prepay some of their five-year foreign loans and, finally, all corporations quoted on the Stockholm bourse will be able to make share issues abroad without obtaining prior central bank approval.

In Norway, the government, in September 1985, abolished a ceiling on bank interest rates, following up measures revoking direct regulation of bank lending at the start of 1984, easing banks' bond investment obligation and ending

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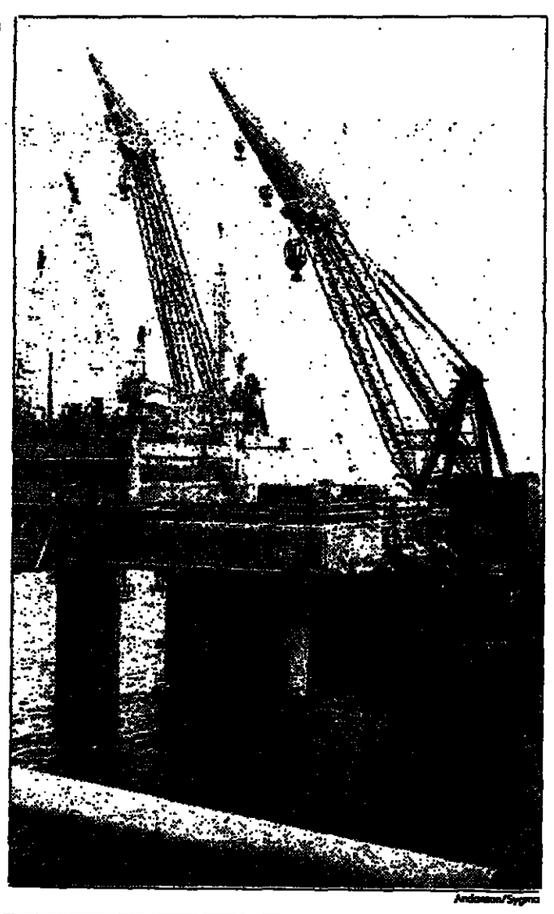

Andersen/Sygma

Looking for Ways Out of Oil Crisis

By Chris Mosey

STAVANGER — The anxiety hanging over this, the oil capital of Norway, is as palpable as the banks of cloud shrouding the somber granite mountains lining the fjord.

In the present pessimistic atmosphere, the oil rigs that are being built in the Rosenberg yard resemble more extinct prehistoric monsters than steel structures of the future.

> Falling oil prices have plunged Norway into one of the country's worst economic crises in modern times.

Falling oil prices have plunged Norway and its offshore oil industry into one of the country's worst economic crises in modern times. Oil revenues to the Norwegian Treasury are expected to fall from nearly $7 billion in 1985 to $660 million in 1987.

However, Farouk al-Kassim, resource director of the Norwegian Petroleum Directorate, a state-owned body, sees the crisis as only a passing phase. Mr. Kassim, a former financial adviser to the Iraqi oil industry, has been in Stavanger since the oil boom got under way in 1965.

"Investment in oil exploration is a question of faith," he said. "Why should today's price influence decisions concerning future production. The real question should be: 'Do we have enough faith in oil as a source of energy in the future?' "

He added, "There are many reasons why we should, not least after the Chernobyl nuclear disaster."

He continued: "You see, it's a psychological question. Psychology is very important, particularly in high finance. People are unwilling to invest money at a time when the market is shaky. That's understandable.

"In 1984, we drilled 58 exploratory wells. In 1985, the total was down to 50. In 1986, it will be 40; and in 1987, unless things improve and nobody thinks they will, it will drop to 30. However, even the most pessimistic experts say we will be back to a more balanced market by 1995."

Mr. Kassim's job is to persuade investors and the oil companies to take the long view. There is, however, a financial drawback.

"It costs 140 million Norwegian kroner [$18.06 million] to drill an exploratory well," Mr. Kassim said, "and that's a cheap one."

He added that since 1985 the cutback in exploration has removed 4 billion kroner from the Norwegian economy.

"It hurts," he said, "but it is going to cost a lot of money to maintain oil exploration at a higher level and this will be an issue that has to be decided and discussed."

It takes five years to get a new well to the production stage, Mr. Kassim said. "At the close of that period, we shall be experiencing a more balanced situation of supply and demand," he added.

A large question mark hangs over North Sea oil exploration. Eight new fields will be started up between now and 1996. After that another 13 are listed as being "dependent on scenario" — that is whether the state oil authorities can persuade the oil companies to cooperate to a greater degree and thus cut costs in the search for new wells.

"We should look at new ways and means of financing future developments," Mr. Kassim said, adding that government and the oil industry would have to agree on the means needed to secure this finance.

He called for cooperation between rival companies. "I'm talking about joint development on a regional scale," he said. "You put one pipeline that satisfies the requirements of everybody, one terminal that satisfies the requirements of everybody.

"The companies must agree to a staggered development, making the optimal use of installations. They recognize that this is a sensible way to go, and I think that is very positive."

Mr. Kassim said one positive effect of the crisis is that low prices, contrary to high ones, stimulate innovation.

A senior government official in Oslo said: "When we first started developing our oil fields, we said we would never allow the Norwegian economy to become too dependent on them. Unfortunately, that was just pious wishful thinking. Today we have a clear overdependence on oil, and we will pay the price for this as long as the present slump continues."

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Norway Credit-Card Holders to Feel Pinch

Controls on credit and interest rates had become untenable.

By Tony Samstag

OSLO — After Oct. 1, Norwegian charge- and credit-card holders are to become the first such clients in the world to pay the 2-percent to 6-percent service fees on transactions customarily exacted from the vendor of goods or services accepting the card.

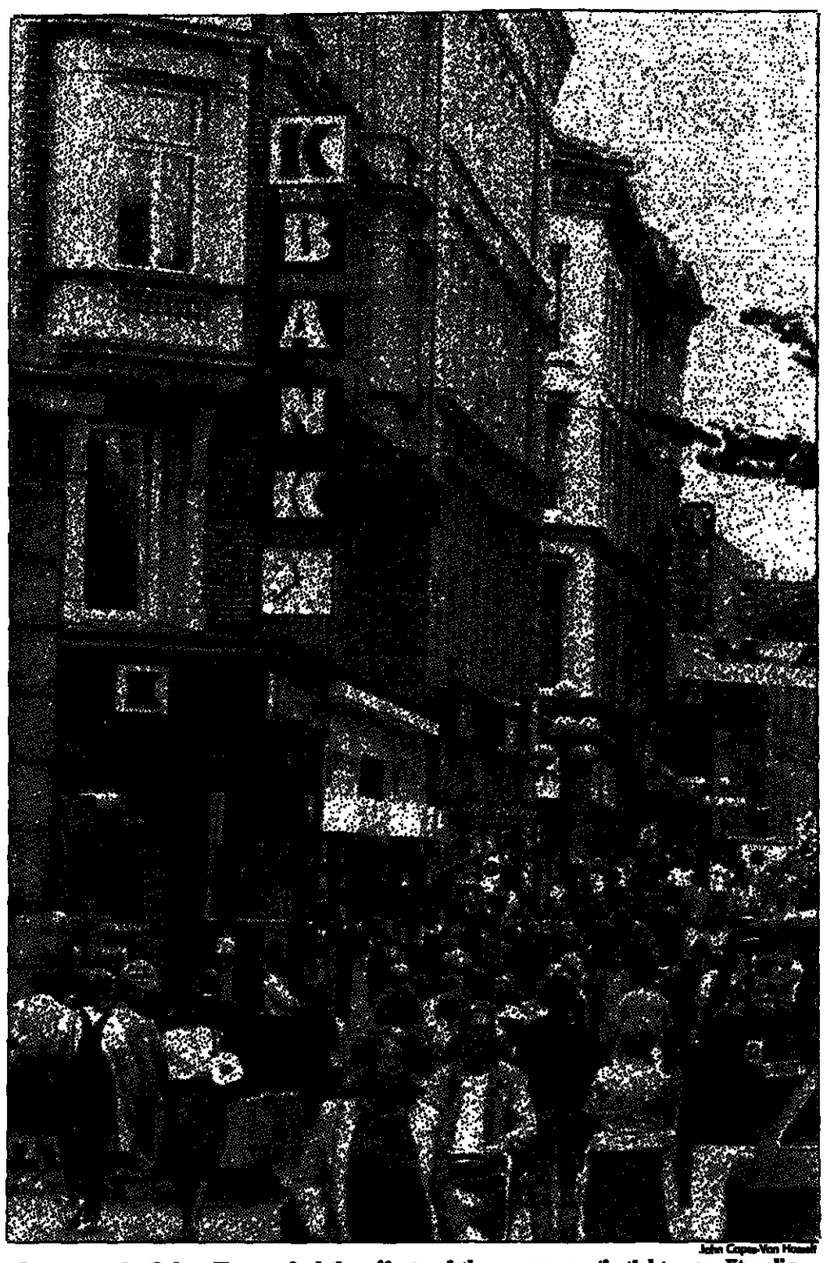
The Ministry of Finance confirms that the move is meant to restrict the use of credit by the Norwegian consumer in an economy that has been increasingly described as overheated. This development began long before the collapse in oil prices earlier this year precipitated, among other things, the fall of the Conservative government and the devaluation of the krone.

With the accession to power of a Labor coalition, growing public resentment at many of the consequences of the oil boom, primarily a distinctly un-Norwegian increase in disparities of income, was bound to have practical consequences. However, many who were most vociferous in their criticism of the get-rich-quick financiers and wheeler-dealers are somewhat taken aback to find the cutting edge of their own acquisitive powers so blunted.

This blow to the fledgling consumer society born of North Sea oil was struck against a background of deregulation, including the dismantling of entry barriers to foreign banks and the creation of the first new Norwegian bank for more than three decades.

While the Conservative government had kept a relatively tight hold over international capital transactions, domestic markets had reveled in a new atmosphere of freedom. Controls on credit and interest rates had become progressively untenable over the years against a tidal wave of consumer demand.

The banks had been forced to take notice, and a flurry of short-term financial instruments — a market in bank certificates, for example — helped to minimize encroachments by insurance and finance companies eager to fill the vacuum.



John Capas-Von Hanau

Consumers in Oslo will soon feel the effects of the government's *tighter credit policy*.

As one banker said as recently as last year: "We have a completely new financial climate here now. More has happened in the past 18 months than in the previous 25 years."

Government hints concerning its plans for the 1987 budget have focused on a determination to fulfill pledges of increased taxation on higher incomes, with little or no aggravation of the tax burden on the average citizen.

But Finance Minister Gunnar Berge has described the measures being prepared as "tight and restrictive" and the credit-card move may well be the opening shot in the campaign.

At an open meeting in Stavanger recently, Mr. Berge joined his predecessor as finance minister, Rolf Presthus, now chairman of the Conservative Party, to field questions from the public on the future of Norway's economy.

A tightening of credit policy, he confirmed, would be a third weapon in the struggle to regain control of the economy, following devaluation last May and budget austerity measures to be announced.

There seemed to be few serious differences of opinion between the two men. As if to underline the inevitability of stricter controls, the most recent bank lending figures show a total of 4.2 billion kroner ($542 million) over government guidelines for July and lending so far this year has exceeded those guidelines by 5 billion kroner.

According to Bjorn Skogstad Aamot, state secretary of the Ministry of Finance, this is directly attributable to increased private consumption, higher prices and general pressure on the economy.

The savings bank association counters with the observation that a lending increase of 19 billion kroner is already assumed in budget revisions to date, but the central bureau of statistics has estimated the actual increase at only 17.8 billion kroner. Lending usually declines in the autumn, and a likely effect of government tax changes would be to reduce interest rates for borrowing.

As it is, Norwegians already pay the highest interest rates of any nation among the 12 European members of the Organization for Economic Cooperation and Development. The interest rate on a personal loan in Switzerland is 5 percent. In Norway, it is 15 percent, according to the most recent survey.

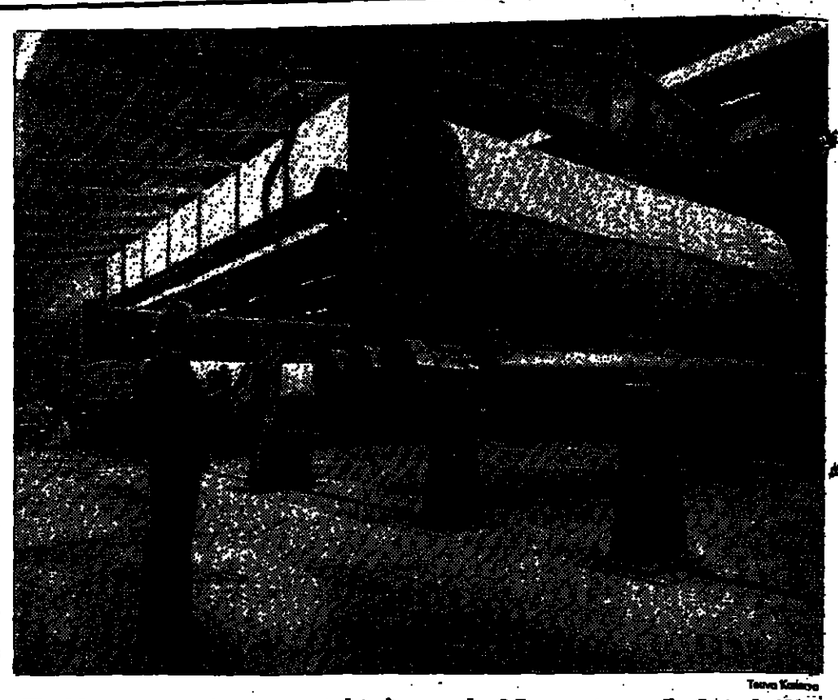
Adjusting for inflation, Norway's real interest rate of 8 percent is topped only by France's 9 percent. Food prices are also the highest in Europe, a survey by the International Consumers' Union has found, with a typical "shopping basket" of groceries costing 130 percent more in Norway than in the Netherlands.

Publication of those figures coincided with a warning by the Norwegian bankers' association that price and cost pressure on the economy was unlikely to slacken. On the contrary, this year's price rises averaging 7 percent seemed likely to approach 10 percent by the end of 1987.

The sustained growth in Norway's economy since 1983 has definitely peaked, according to government statisticians, who recorded a sharp fall in growth of the gross national product during the first half of this year.

Prospects for next year are for considerably weaker growth, and zero growth in total investments. The Foreign Ministry says that the full impact of the economic turnaround is unlikely to be felt for some months, however.

With the balance of payments under strong pressure, and a current account deficit expected to reach 16 billion kroner in the first six months of 1986, disposable real income has already declined by 6 percent in the past year.



Teuvo Kaisanto

Finnish paper exports are expected to increase by 3.5 percent annually through 1989.

Finland Fears Slowdown

By Lance Keyworth

HELSINKI — Addressing the country on New Year's day this year, President Mauno Koivisto warned: "It is apparent that most people are not prepared to lower their expectations of a rising standard of living."

After four relatively stable years, 1985 indicated that the economy could expect rougher times. As things look today, Mr. Koivisto might well repeat his warning on Jan. 1, 1987. Inflation, and hence prices and wages, must be kept under control. The marked imbalance of trade with the Soviet Union must be corrected and two important elections lie ahead: the general election in March 1987 and the presidential election early in 1988.

The economy has weathered the change in climate quite well. But it is weaker now than it was a year ago. The mergers of big and medium-sized corporations are given space by the media that for many weeks have devoted pages predominantly to sports events. Finnish salesmen are still fanning out all over the world and bringing home big orders, and the Helsinki stock exchange has been very busy and is still expanding.

The downward adjustment of oil prices in the Organization of Petroleum Exporting Countries was a major event for Finland, which takes about 80 percent of its imported oil requirements from the Soviet Union.

Finnish-Soviet trade is bilateral, based on five-year framework agreements. It is balanced over the five-year period, which is why the change in oil prices was such an unpleasant surprise for Finnish industry. Energy imports from the East will be cut by about a half and Finnish companies have some difficulty in finding suitable Soviet goods to make up the difference. There is still much talk about landing more major construction projects in the Soviet Union and even of entering joint venture projects in that country. But this can take time to arrange.

Financing is a problem for Finnish industry. It is expensive, especially now that the Bank of Finland has introduced market money (call money) rates of interest. Finland's "big bang" came in August this year, when the central bank lifted the rate for new short-term loans from 10.5 percent to 40 percent as part of its policy of defending the external value of the Finnish mark-ka, reducing the drain on the country's foreign exchange reserves and ending the speculation about a devaluation.

The main sources of credit for business, the financial institutions, were allowed to raise their rates on new corporate lending, but not on existing loans. They thus had to borrow from the Bank of Finland and found the operation very expensive.

Within a few days the central bank began to reduce its call money rate. By Sept. 10, it was down to 14 percent. Moreover, oil prices will certainly rise again, and there is still speculation about a devaluation of the markka, perhaps next July, by up to 10 percent. New labor-market negotiations are due next year and unemployment is still high, about 7 percent at the last count.

There are too many imponderables to permit a confident forecast of the course of the Finnish economy in the next few years. Some slowing of the pace from the four good years that ended in 1985 seems likely.

ETLA, the research institute of the Finnish economy, in its "Medium-Term Economic Prospects 1985-1989," concluded that for the five-year period from 1985, the annual growth of gross domestic product in the 12 European members of the Organization for Economic Cooperation and Development will be 2.5 percent to 3 percent.

Consumer prices, it noted, will move down from 6 percent to 5 percent yearly. Finnish paper exports will increase annually by 3.5 percent, metal and engineering sector products by 4 percent. On the import side, raw materials and producer goods will account for about 60 percent of the total, investment goods and consumer products for 15 percent to 18 percent and fuels and lubricants for some 8 percent.

The volume of gross fixed capital formation will increase by 5 percent yearly in mining and manufacturing and 6 percent in electricity and gas.

In short, it looks as though industry will on average be marking time for the next five years. Households are likely to increase their expenditures on durables, entertainment, transport and other services, while spending less on food and clothing.

John Capas-Von Hanau

Staff at Stockholm bourse follow shares trading.

Slowdown Is Forecast

Continued from page 11

the economy are bright, according to Verner Puggaard, chief economist of the Federation of Danish Industries.

"We will have a surplus on the state budget this year after the largest deficit in the OECD in 1982," Mr. Puggaard said. "That is a development most other countries in Western Europe would want, together with a rise in investment and employment."

Danish unemployment, at a forecasted 8 percent for 1986, is still high by Scandinavian standards, but the drop from levels over 10 percent in 1984, together with sharply lower interest rates, is a main cause of the high domestic demand behind the current account deficit.

"Even with signs that domestic demand may be weakening, our assessment is that the current account deficit will be wider, around 25 or 30 billion kroner [$3.247 billion or $3.894 billion] this year, than the 20 billion kroner we estimated when the Nordic Economic Outlook was prepared earlier in the summer," Mr. Puggaard said in early September.

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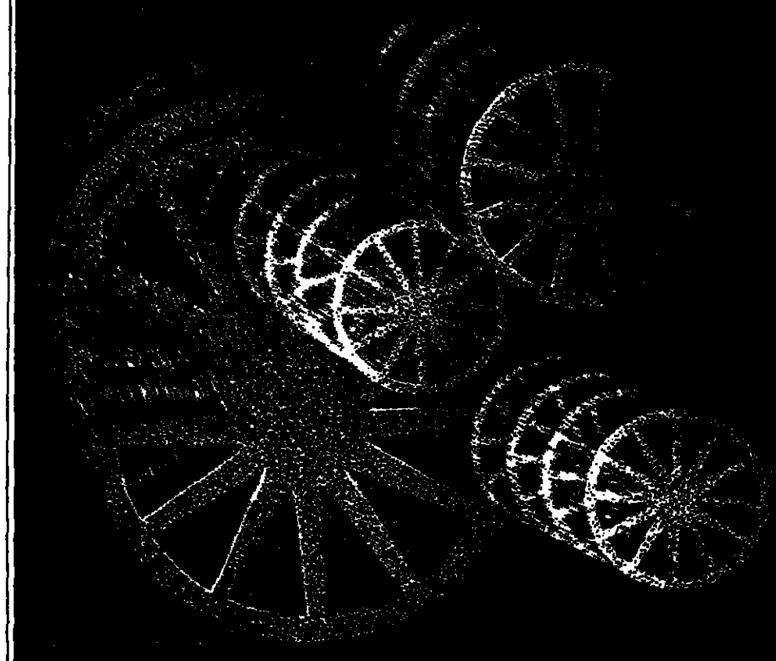

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هكذا من الأصل

Finland Proposes to Cut Banks' Corporate Powers

By Donald Fields

HELSINKI — Speculation against the national currency and a government proposal to diminish the influence of financial institutions in industrial corporations have enlivened the Finnish banking scene this fall.

The Finnish markka came under pressure in July, two months after neighboring Norway had devalued its krone by an effective 8 percent. The central bank countered spectacularly, raising the call-money rate first from 10.8 percent to 25 percent, and then to 40 percent.

A month after these histrionics, the level had been gradually trimmed to 13.5 percent, but the emergency was not completely over and foreign exchange reserves still stood at barely half the pre-crisis figure.

No other instruments — apart from firm commitments not to devalue by the central bank governor, Rolf Kullberg, and government ministers — were used to repel the tide. The cost to the commercial banks, which was put at 2.7 billion markka in August alone, was appreciable, even allowing for eventual refunding by the Bank of Finland.

That the patience of bankers was taxed was first demonstrated on Sept. 4, when Kansallis's president, Jaakko Laasila, accused the authorities of fueling speculation by their dramatic postures.

The markka's defenders insisted that there were no objective reasons why Finland, with its economy in fairer shape than most, should devalue. To do so, they argued, would unleash inflationary forces just as they had been checked and trigger indexation provisions in existing pay deals.

On the other hand, an estimate that Finland would have to increase its exports to the West by 10 percent to offset contractions in the Soviet market continued to encourage the feeling that devaluation was just around the corner.

On the home front, the center-left coalition government is proposing to cut the maximum voting rights of banks in industrial corporations from 20 percent to 10 percent, and those of insurance companies from 50 percent to 10 percent.

This is a response to widespread criticism that the banks wield "too much power" in Finnish society. Certainly the banks are more conspicuous than in most European countries in nudging into boardrooms, consummating inter-company mergers and advertising themselves in their bosses' images.

They defend their record on the grounds that they can bring a vital element of dispassionate prudence into corporate finance. Furthermore, since the government is not aiming to curb the banks' share in company ownership, it is debatable whether its proposal will make any substantive difference.

At present the ceiling on foreign participation in Finnish businesses is 20 percent. The odds are that this will soon be raised to one-third, possibly 40 percent. This is unlikely to increase the number of international banks with branches on Finnish soil — Citibank, Chase Manhattan and Indosuez, shortly to be joined by Samuel Montagne.

The establishment of foreign banks at more than representative level, so much in the spotlight four years ago, has faded into a nonissue as attention has turned to the banking "invasion" of neighboring Sweden and Norway. The banks now rooted in Finland quietly declare themselves satisfied with their experience.

There are few quibbles from the Finnish standpoint either.

"In 1985 the international banks made profits though their balances went down," said Jyrki Laakso, research director of the Finnish Bankers' Association. "There was no increase in the market money they used for their largely short-term business. At the same time, the Bank of Finland has given them free hands to take investment loans from abroad."

The latest count shows that Finnish banks have set up seven full-fledged branches and 13 subsidiaries abroad. They also have stakes ranging from 1 percent to 50 percent in 10 consortium banks and fully own, or are in partnership with, other Nordic banks in running 27 representative offices.

Since the first venture into foreign markets in 1967, expansion has been rapid. During the initial period, consortiums with Scandinavian banks had an understandable appeal, but the leading Finnish banks eventually attained the size and self-confidence to stand on their own feet. Kansallis set the trend in London in 1984, to be quickly followed by Union. Now each bank also has branches in New York and the Cayman Islands, and Kansallis has moved into Singapore.

Among the rest there is a feeling that the debate between wholly-owned and consortium banking has become academic, that the information revolution and a tight net of correspondent banks gives a perpetual motion to international operations.

Martti Korhonen, a director at Kansallis, stresses that his bank has been able to corner a fair amount of business not directly related to Finland and to benefit from the practice of reciprocity with other countries' banks: "For us the move away from consortium banking has been a matter of transformation rather than expansion. It has simplified our decision-making mechanisms, yet made us realize how much banks, though working separately, need each other."

The liberalization that has attracted foreign banks to Helsinki also has allowed Finnish banks to start lending freely to outsiders. The latter are thereby encouraged to view the world as their market. They have gained by Finland's reputation, based on a good external balance and better-than-average fiscal management, as a safe haven for money.

But the domestic business still provides the backbone and some regulations live on. Despite the shedding of interbank cartel arrangements, uniform rates of interest still apply to tax-free deposits.

As Mr. Laakso said, "I don't think we can turn deregulation back into re-regulation, as is happening in some other countries."

John Copas-Von Hausse

Customers and employees inside a central Helsinki bank.

John Copas-Von Hausse

Pressure on the markka proved costly for Finnish banks.

John Copas-Von Hausse

The KOP bank in Helsinki.

Modest Helsinki Market Makes Impressive Gains

HELSINKI — With only about a 4-percent share of the gross national product, turnover on Finland's stock exchange is among the lowest in the industrialized world.

Since capital is traditionally raised by other means in Finland, the stock market is neither an influence on, nor subject to, oscillations in the general political and economic climate, nationally or internationally. Recent speculation against the Finnish markka did not affect it, and its response to this month's ferment on the New York and Tokyo exchanges was minimal.

Yet, by its own modest standards, Helsinki has been advancing impressively. The great leap forward was marked by a virtual doubling in turnover in 1984 and 1985, compared with each previous year. From 172 million markkaa ($35 million) in 1976, turnover has climbed to a forecast 15 billion markkaa to 17 billion markkaa in 1986, about 40 times the pace of domestic inflation in that period.

At the end of last year, the total value of shares outstanding, on the one hand, and of bonds and debentures, on the other, was virtually equal — about 30 billion markkaa each.

In the breakthrough years, Helsinki was the last link in a chain for North American and West European institutional investors, who woke up to the prospect of good placements in the Nordic countries, notably in pension funds. A Bank of Finland ban, dated June 1985, on the sale of bonds and debentures to foreigners blunted some of the enthusiasm, although outsiders can partly circumvent the restriction by purchasing stock in Finnish financial institutions whose own portfolios are leavened by a strong bond element.

Only 40 companies are on the Helsinki brokers' list, with another 10 on the new over-the-counter list managed by the Association of Securities Agencies. This month, the general share index of Unitas, the largest single broker, hovered around 405, with 1975 as the base year of 100. That of the Kansallis Bank, using 1970 as 100, stood at 1,025. A dip in prices between mid-1984 and mid-1985 has been followed by a strong recovery.

Kai Lindstrom, Unitas's research chief, said profits developed satisfactorily last year and a trifling decline was likely in 1986. In terms of yield on equity capital, the leaders are Ford, the multifaceted Amer and Yhtyneet, the forest industry giant. Best dividends in proportion to invoicing have recently been paid by Spontel, Tamfelt and Ford.

The growing external interest in the stock market has been accompanied by an upsurge in the reports by which companies and brokers keep actual and potential investors beyond Finland's shores abreast of developments.

At home, the two main talking points are tax reform and an end to the practice whereby Finland is one of the rare countries in which the stock exchange is not subject to outside control.

"To date, bank deposits and bonds have been tax-exempt," said Tapani Mantysaari, manager of the Helsinki Stock Exchange. "But there are taxes on wealth and dividends, and capital gains are taxed if you don't keep your investment for more than five years. We want to see an end to the unequal treatment of investments in bonds and equity."

Furthermore, the exchange's last annual report said, "There have long been plans for new legislation which would allow the operation of investment companies or trusts. This would diversify facilities in the trade in securities."

Since a general election is to be held within six months, it is doubtful how much, and how rapidly, the disincentives to invest in equity capital can be reduced by political means. However, the latest budget devised by the center-left government points the way to tax overhauls that could boost the market. Much also depends on the attitude of the central bank, which is remarkably autonomous by most standards, toward new companies and the short-term money traded on the exchange.

When, as the government intends, the stock exchange is put under official scrutiny, the already-existing bank inspectorate, or a similar agency, will be the likeliest supervisor.

"We are a self-governing institution and have nothing to hide," Mr. Mantysaari said. "The drawback about government inspection is that it could increase pointless bureaucracy."

If tax reforms are enacted, however, it can be assumed that the number of small investors seeking to enter the market will multiply, and some of them might feel more secure if the exchange were under official vigil.

The interest rate on bank deposits is currently so low that many Finnish households prefer to spend than to save, and companies would obviously welcome any means of diverting the money toward share purchases. New issues have gone down markedly of late, though the charts are distorted by the abnormal dimensions of 1984 issues by the banks.

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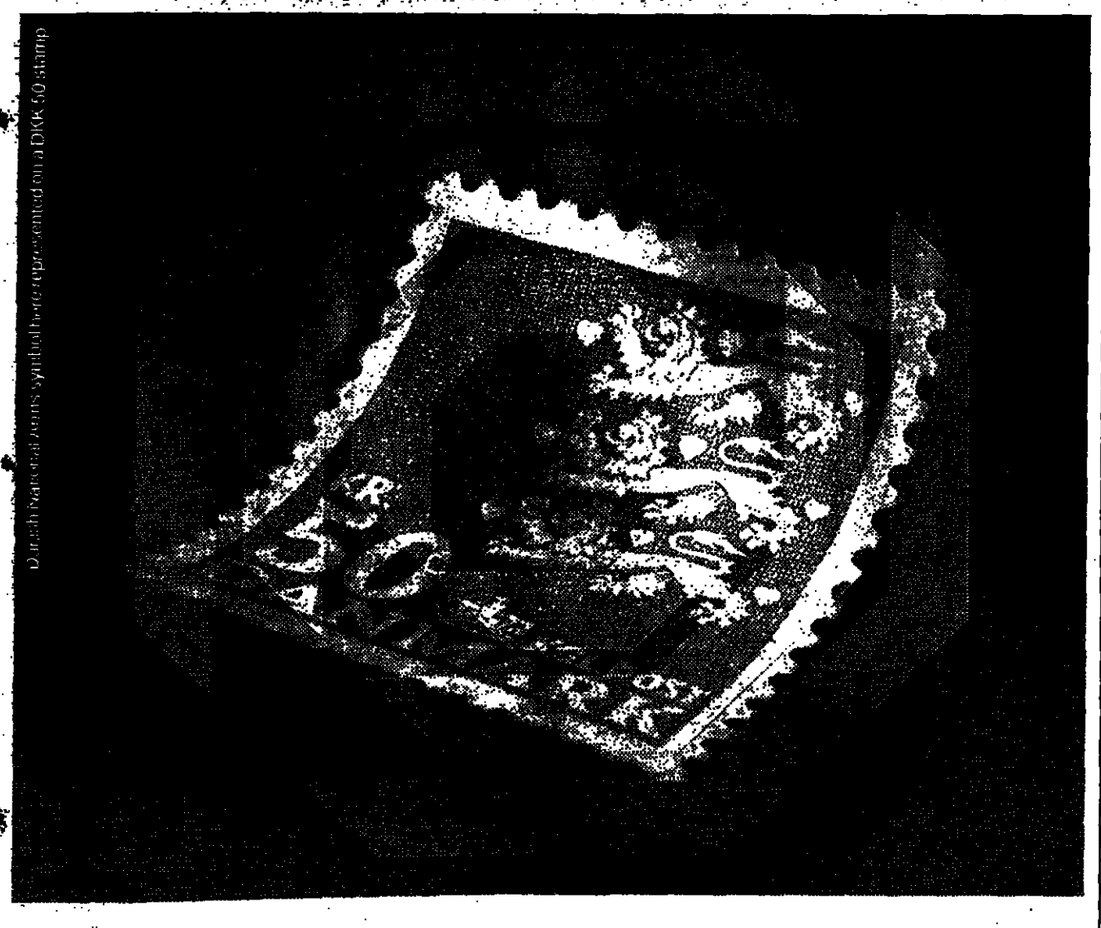

Dutch National Jeans symbol here represented on a DKK 50 stamp

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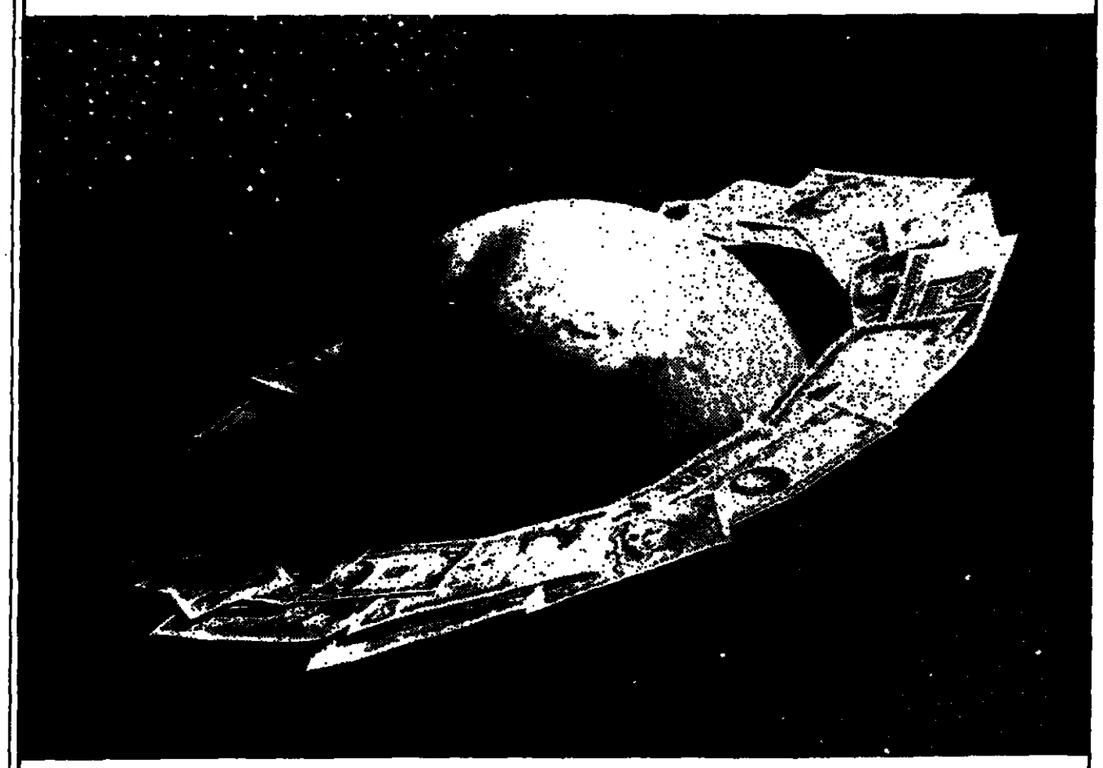

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Investment Boom Fuels Growth of Danish Industry

By Christopher Follett

COPENHAGEN — The mid-1980s have seen a boom in industrial investment in Denmark — proportionately the biggest recorded in any West European country — and this dynamic increase is expected to continue.

Improved profits in Danish industry over the past three years have fueled the new investment boom, after the doldrums of the late 1970s, resulting in significant renewal and an extensive expansion of industrial production capacity. Industrial investment went up by approximately two-thirds in real terms in a mere two years; measured in Danish kroner, it nearly doubled from 1983 to 1985, as more and more Danish companies showed confidence in the future and re-equipped.

According to estimates from Finance for Danish Industry (FIH), the biggest single furnisher of investment loans to Denmark's industry, total investment in Danish industry, which reached a record 15.2 billion kroner ($1.9 billion) in 1985, is expected to jump a further 20 percent this year, to more than 18 billion kroner. This follows a 35-percent increase in 1985 over the previous year, something of a leveling-out of the growth rate but regarded by FIH as extremely satisfactory nonetheless.

FIH, a Copenhagen-based investment loan institute owned by a consortium of banks, insurance companies and industrial corporations, provides about 20 percent of investment loans to industry. It disbursed a total of 2.8 billion kroner in industrial loans in 1985 to 2,175 borrowers, 60 percent of them new customers. Recently released figures for the first half of this year show a continuing major volume growth in lendings — 2,877 loans were granted in the period — at a time when investment decisions had been generally believed by industrial analysts to have reached their peak.

Geographically, nearly half of FIH's loans go to companies operating in Jutland, Denmark's westernmost peninsula on the European mainland fringing the North Sea. This is seen as reflecting the significant growth of Danish industry in the west of the country and decentralization tendencies away from Copenhagen, the capital, and the eastern Baltic island of Zealand on which it is situated.

More of the funds at FIH's disposal are raised through the Danish and international capital markets. At the beginning of 1983, only one-third of FIH indebtedness was at market rates to financial institutions and bond holders, whereas two-thirds were to the Mortgage Bank of the Kingdom of Denmark (so-called "K-loans"). By the end of 1985, more than two-thirds of FIH borrowings were at market rates.

The background to the current boom in Danish industrial investment can be seen in the statistics and the general atmosphere of confidence instilled in industry by the ruling center-right government, led by Poul Schluter, Denmark's first Conservative prime minister of the century.

A National Statistics Bureau survey of 95 percent of the 2,700 Danish industrial concerns employing a staff of more than 20 reveals an increase in total profits before taxation of 15 billion kroner in both 1984 and 1985, compared with just over 4 billion kroner in 1980.

The structure of Danish industry, with its many small companies, means that resources for fundamental research and development of new technology are limited, a fact that caused Denmark to lag behind in the introduction of advanced technology at the beginning of the decade. Most investment has gone into new building and the purchase of machinery, plant and infrastructure, with high technology coming later.

Although companies are allocating increasing sums to research and development projects, they still have a tendency to purchase outside know-how. In a varied field, the traditionally most capital-intensive sectors of industry are the chemical and medical trades, dominated by such local giants as Cheminova and Superfos (pesticides, insecticides, fertilizers and chemicals) and Novo (medicines, insulin and enzymes).

While the world shipping crisis has in Denmark, as elsewhere, led to a major decline in investment in shipbuilding, new capital-intensive sectors are burgeoning, notably in textiles, furniture manufacture, where Denmark is now a leading exporter to the United States, and graphic art and printing. The innovative textile industry, largely based in Jutland, has proved that it can beat off the tough competition from the Far East by investing heavily in new technology to compensate for high labor costs and overheads.

The success of the four-year-old, Conservative-Liberal coalition in stimulating industry and making it more competitive, coupled with falling domestic interest and inflation rates and a widespread faith in the government's policy of maintaining a stable krone in relation to currencies in the European Monetary System, are also strong contributory factors to the upsurge in Danish industry's investments and profits.

The problem is that the industrial boom is based on the home market and not on exports. Industry is too geared to the lucrative, and easily accessible, domestic market, where it is being nurtured by the current spending boom. Dark clouds continue to loom on the economic horizon regarding Denmark's balance-of-payments problem, which is aggravated by its industry's very success in home markets and its related inability to improve its export performance.

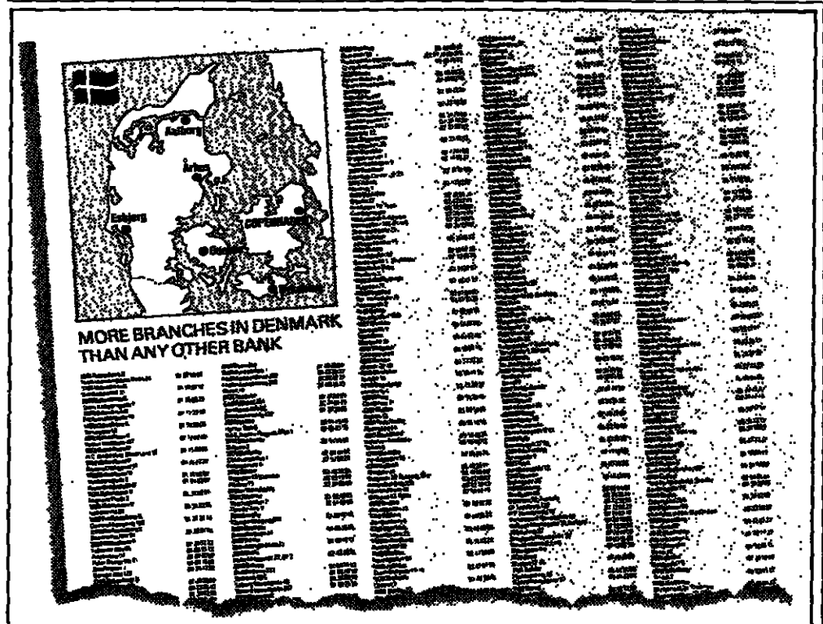
With last year's record balance-of-payments shortfall of 28 billion kroner likely to be overtaken this year, despite the imposition by the government of four tough economic austerity packages within the past 18 months, further measures are planned for this autumn to encourage the much-needed, export-led revival of the economy and dampen high domestic demand.

"We are confident that Danish industry will be able to switch to lucrative export markets in the event of further government restrictions in home demand," Niels Larsen, deputy managing director of FIH, said.

"Thanks to its massive investment in new plant and infrastructure, Danish industry is now ready to take up the challenge overseas; a little country like Denmark can seize new market niches more easily than bigger countries," Mr. Larsen concluded.

John Copas/Max Hawalt

Musicians entertain passersby on a Copenhagen street.



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Danish Banks Offer New Financial Services

By Michael Metcalfe

COPENHAGEN — Denmark's banking community, flush with profits from its more traditional services, is expanding into other financial sectors.

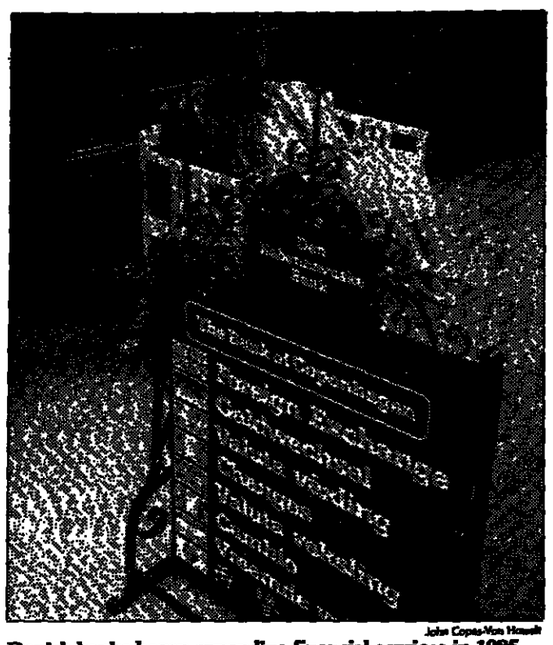
The country's 80 commercial banks and 150 savings institutions are experiencing a period of rapid change, marked by hard-fought acquisitions to diversification into new financial services.

The rigid lines that once separated financial services from banking, surance and brokerage are gone.

The diversification trend began in 1985 with the three main insurance companies, Baltica, Hafnia and Topsikring. By establishing holding companies as the main shareholder, they were able to own or acquire enterprises with activities extending beyond insurance.

Confronted by this incursion into their territory, the banks began to offer insurance services, including such innovations as mortgage- and disability-linked insurance of bank service accounts.

The period of reform will come to a head on Jan. 1 when legislation paving the way for an end to restrictions on dealing on the Copenhagen bourse comes into force. At that time, the 27 stockbroking firms currently operating on the bourse will have to relinquish their exclusive right to trade, a privilege long contested by the banks and insurance companies, which have been obliged to pay commissions to the brokers.


John Copas/Max Hawalt

Danish banks began expanding financial services in 1985.

The bill, which was passed by the Folketing, the Danish parliament, earlier this year, also includes provisions for establishing an electronic trading system on the bourse, replacing the manual system that could not keep pace with the fast growth in share and bond trading.

To lend the market more transparency, account-registering financial institutions on line to the securities center will be obliged to report on prices and transactions for all trade otherwise bypassing the electronic trading system so that all securities transactions will be encompassed.

By abolishing the monopoly previously enjoyed by members of the bourse, the sole requirement for access to dealing on the stock exchange will be the establishment of a stockbroking company in the form of a joint-stock company with equity capital constituting not less than 5 million Danish kroner ($649,000) as well as compliance with certain requirements concerning capital cover.

The larger commercial banks and insurance companies have begun to acquire holdings in brokerage firms or to set up their broking subsidiaries in order to compete effectively.

The advantages of the new legislation are not limited to Danish finance. The Swedish broking firm Alfred Berg, as well as two of Norway's finance companies, Custos and Nevi, have acquired stakes in Danish brokerages.

In recent years, foreigners have become active buyers of Danish stocks and bonds, and sales have increased markedly, spurred by the dismantling of most of the credit restrictions that had curbed the flow of funds.

The financial authorities have boosted demand for shares by legislating changes that encourage institutional investment, such as pension funds and life insurance companies, in Danish equities. Partly as a result of this freer climate, net sales of Danish shares to nonresidents have grown in recent years.

However, the overriding foreign interest has remained concentrated in Danish bonds, where high yields and the stable Danish krone exchange rate have attracted international buyers. Net purchase of Danish bonds by nonresidents jumped from 3 billion kroner in 1983 to 17 billion kroner in 1985.

As of last year, enterprises, including corporations not engaged in financing activities, can raise loans from foreign financial institutions or from overseas financial markets as long as the loans are for a minimum period of one year. Previously, loans had to be made for five years or more.

Competition Spurs Moves to Diversify

Continued from page 11

direct control of leasing and factoring loans by finance companies.

Partly as a consequence of these actions, domestic liquidity proved excessively high in 1985. To curb this accelerating trend in 1986, the government in January introduced a series of measures aimed at slowing down the strong growth in credit. The measures were mainly directed toward the supply side of the market.

These measures were followed up on May 30 by lowering the total lending ceiling for commercial banks in 1986 by 5 billion Norwegian kroner ($642 million) to 19 billion kroner. In the effort to curb lending, banks exceeding the prescribed lending limits were required to deposit a minimum of 15 percent of their primary reserves in noninterest-bearing accounts with the central bank. For those banks lending 8 percent above the target, an obligatory 25 percent of primary reserves were to be lodged in the no-interest accounts.

Weakening Growth

After some years of more favorable economic growth than the rest of Western Europe, the Nordic area now faces a reverse trend.

Percentage growth in GDP

	'80	'81	'82	'83	'84	'85
Denmark	0.4	0.9	3.0	2.0	3.4	3.8
Finland	5.6	1.8	3.0	2.9	3.0	2.8
Iceland	5.5	2.6	0.3	6.0	3.1	2.8*
Norway	4.2	0.9	0.3	4.5	5.6	4.2
Sweden	1.7	1.5	0.8	2.4	3.4	2.3*

* Estimate

Source: OECD.

The authorities have raised interest rates in the domestic money markets by one percentage point to 15 percent, the highest among the 12 European members of the Organization for Economic Cooperation and Development — a move clearly aimed at curbing demand.

Moreover, certain adjustments will likely be made to tighten up the use of central bank policy instruments toward the banks. This would mark a continuation of policies set in motion in mid-1985, when the basis of calculation was altered so as to comprise the total of advances and holdings of private and municipal bonds, and the ratio for banks' primary reserve requirements — one of the main yardsticks for controlling domestic credit expansion — was raised from 11 percent to 15 percent. At the same time, the yield on primary reserves increased since the interest rate on treasury bills was raised by 0.5 percentage points.

In Denmark, the rigid lines of demarcation characterizing banking have begun to break under the strain of diversification into new financial services. The three main insurance companies have altered the shareholding composition of their corporate structure, establishing holding companies as the main shareholders, in a move to branch into new financial areas outside the insurance sector.

In turn, the banks are now offering insurance services, including such innovations as mortgage- and disability-linked insurance of bank service accounts.

Deregulation has also swept Finland's financial markets. Short-term money rates have been liberalized and the central bank has altered its two basic monetary control instruments: the regulation of average lending rates and the system of cash reserve deposits applying to banks.

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SHARE CAPITAL AUGUST 31, 1986

Share capital	FIM 147.8 million
Nominal value	FIM 5
Number of shares	29.568.000
of which A shares (10 votes)	20.640.000
B shares (1 vote)	8.928.000

POHJOLA WITH SUBSIDIARIES

Figures in millions of Finnmarks	1981	1982	1983	1984	1985
Premium income	1.220	1.575	1.778	4.062	4.984
Claims	1.032	1.285	1.595	3.773	4.526
Net income from investments	191	223	265	1.277	1.462
Operating expenses	252	286	330	472	520
Market capitalization	394	590	1.203	1.370	1.717

PER SHARE INFORMATION (FIM)

	1981	1982	1983	1984	1985
Income before changes in untaxed reserves	1.36	1.49	1.82	2.68	2.70
Shareholders' equity, untaxed reserves and unrealized appreciation	36.46	45.30	79.28	96.33	103.03

INVESTMENT PORTFOLIO AT MARKET VALUES FIM 17,055
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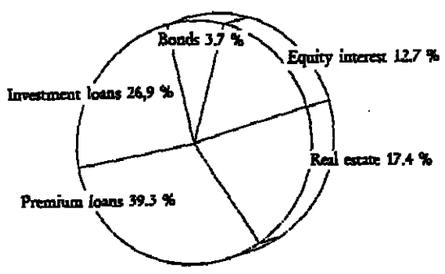

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Effoa-Finland Seamship Co. Ltd.	3.1
Finnish Sugar Co. Ltd	0.7
Finvest Inc.	17.2
Huhtamäki Oy	11.5
Instrumentarium Corporation	4.0
Kajaani Oy	30.0
Kansallis-Osake-Pankki	6.3
Kesko Oy	2.3
Kone Corporation	23.8
Kymmene-Strömberg Corporation	2.1
Lassila & Tikanoja Ltd	3.6
Lohja Corporation	2.0
Mancon Oy	5.5
Mersiliitto Teollisuus Oy	1.3
Nokia Corporation	8.1
Otava Publishing Company Ltd.	10.4
Partek Corporation	0.8
Rauma-Repola Oy	20.0
Sponsor Oy	3.8
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هكذا من الأصل

Sweden's Prospects Brighten

By Anders Ljungh

STOCKHOLM — During the past decade the Swedish economy has, in many respects, undergone a dramatic transformation.

Because of its considerable oil imports, Sweden was hard hit by the crises of the 1970s. The Swedish government differed from those of many other countries in trying to bridge the international recession of the late 1970s by expanding the domestic economy fairly vigorously. This caused unemployment to remain low in Sweden despite the world economic recession that followed the rise in oil prices.

However, the negative effects of this policy were not long in appearing. By 1974, the surplus recorded in the current account during the early 1970s had become a deficit. In the years that followed the deficit grew faster than in other countries and reached 3.6 percent of gross national product in 1980.

The expansive domestic economic policy also entailed a less restrictive budgetary policy. Industrial production was weak because of the international recession and the rapid rise in costs in Sweden. Government revenue from taxation did not keep pace with expenditure, and the public-sector deficit grew dramatically between 1976 and 1982. In the latter year it amounted to somewhat more than 6 percent of GNP. During this period, profits and investment trends in industry were weak, with labor costs rising faster than in competitor countries.

The government made several attempts to solve the balance of payments problem. The krona was twice devalued in 1977, by a total of 16 percent. In 1981, a new 10-percent devaluation took place. But the fundamental problem of balancing the current account remained primarily that of costs and inflation rising at a higher rate than in the rest of the world.

When the Social Democrats took office in the autumn of 1982, the krona was devalued by 16 percent. The government announced the introduction of a new economic policy, known as the "third way."

> The government seems determined to carry through the 'third way' policy.

Sweden was both to save and expand itself out of its current account problems. The first element was devaluation, which would once and for all create the preconditions for growth toward external balance. The aim was to eliminate the deficit in the current account permanently, by restraining imports and expanding exports.

Government strategy to achieve this would require a sizable reduction in the growth rates of costs and inflation in Sweden, entailing a substantial reduction in the public-sector deficit to create the conditions for lowering inflation, lower interest rates and lower wage demands.

At the same time, industry would be given an opportunity to become profitable again, which would bring about a climate conducive to new investments and more job opportunities.

The Swedish strategy was launched at about the same time that the economic situation in the United States began to recover. The combination of a rising dollar and a devalued Swedish krona was very advantageous for Sweden. Exports rose appreciably during the first years after devaluation. By 1983, the current account deficit had been reduced to about 2 percent of GNP, while in 1984 there was a small surplus for the first time in 10 years.

The resulting growth in Swedish industry aided government efforts to bring down the budget deficit. Total public-sector deficit (which is the internationally comparable yardstick) fell from just over 6 percent of GNP to about 2 percent of GNP between 1982 and 1985.

The "third way" policy appeared to be very successful in the first years following the devaluation of the krona, in both saving and expanding the country out of the difficult balance of payments situation. The current account was strengthened, the budget deficit reduced, industrial production grew and profits improved for a large part of industry and commerce.

However, in 1985 developments again seemed to be worrying, primarily with the current account going into deficit again.

This relatively gloomy picture improved halfway through 1986, due mainly to the beneficial effect that falling oil prices have had on the Swedish economy. The current account is again expected to be in surplus during 1986 and 1987.

A significant element in the new economic climate is that interest rates have fallen substantially since summer 1985. The deficit then noted in the current account caused the Riksbank, the central bank, to increase the level of interest considerably during the spring of 1985. Higher interest rates led to an appreciable currency inflow during the autumn of 1985. This had continued during the first half of 1986.

The strengthened current account and continued confidence in the krona has enabled interest rates to be lowered continuously on the money market during the past year. Three-month interest rates in 1985 were 18 percent but are now down to 8.5 percent. Long-term interest rates are 9 percent to 10 percent. On Sept. 18, the Riksbank lowered the discount rate from 8 percent to 7.5 percent. A continued lowering of interest levels is forecast for the coming year.

The positive elements in the economy described above should lead to relatively good growth in 1986. However, the economic outlook for 1987 is expected to be weaker for industry, primarily because the basic economic problem still exists: too vigorous wage rises compared to those in competitor countries. Wage costs are expected to rise by 7 percent in 1986.

The year-on-year increase in consumer prices was down to between 3 percent to 4 percent in the middle of 1986. It is much lower than it was a year ago when consumer prices rose by just over 7 percent. But in comparison with the average in the Organization for Economic Cooperation and Development and, above all, in comparison with Sweden's largest trading partners (West Germany for example), the relative inflation rate is still too high.

Wage negotiations in the private sector in 1986 resulted in a two-year agreement, which gives hope that in 1987 Sweden will finally be able to hold down increases closer to the level of its competitors.

The government seems firmly determined to carry through the "third way" policy, which means that industry and competitiveness will continue to be favored. The ability to pursue the policy vigorously could be made difficult by the fact that the government does not have a majority in parliament.

However, it is probable that the other parties — the Moderate, Center and Liberal parties — would support continuing reductions in the budget deficit, at least to the extent that this is brought about by reducing expenditure. In the longer term, it is likely that the policy will continue to be directed at giving continued support to industrial profitability and investment growth and to strive toward reducing the budget deficit and inflation.

In the 1970s, domestic financing of the budget deficit largely passed through the balance sheets of the banks, which were required to buy government bonds and to place a substantial portion of deposits with the Riksbank. Balance of payment deficit financing also passed through the banks when they lent foreign currency to industry.

The volume of bank lending, as well as the level of bank interest rates, were controlled by strong recommendations from the Riksbank. This led to the emergence of a large, unregulated group of finance companies, a gray market operating without much regulation.

The Riksbank was, therefore, unable to manage money supply and interest rates through the banks alone. The government was faced with the choice between regulating the whole financial sector, or creating a money market where volume and interest rates can be influenced through market operations. Fortunately, the market alternative was chosen.

In 1982, a process of deregulation of markets started. A number of new instruments were launched by the government and the banks, so that by 1986 Sweden had a large domestic money market up to maturities of about three years and a term capital market with improving liquidity.

In May 1985, the Riksbank removed interest rates ceilings on bank lending, and later, in November that year, volume constraints on bank lending were abolished.

In early 1986, a dozen foreign banks were given permission to establish themselves in Sweden in the form of subsidiaries. Although not yet in full operation, they will no doubt provide new services to Swedish clients, and their presence will require clear and equitable domestic banking rules. In addition, reciprocity constraints on Swedish banks' expansion abroad have been removed.

Sweden's severe currency regulations have been in force since 1983. A year ago, a government committee recommended that the regulations be removed and since then there has been a gradual removal of some obstacles. Still, the main regulations are in force. Investment in stocks and bonds into and out of Sweden is restricted. The forward currency market is constrained and currency options can not be used fully.

In sum, deregulation of the Swedish financial markets has been timely and well managed. Deregulation of the foreign-exchange sector remains, and the central bank seems to hesitate as to whether a small country with large trade can live without exchange restrictions.

However, removal of foreign-exchange restrictions is desirable since the past has shown that sticking to a fixed exchange rate and trying to stem capital flows only delays adjustments that must be made later.

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John Capas-Von Hassel

Stockholm residents enjoy sun in front of stock exchange.

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Iceland Maps Recovery Plan

By Bernard Scudder

REYKJAVIK — The quarter-million inhabitants of Iceland might form one of Europe's smallest independent nations, but they do not do things by halves.

A revised forecast by the National Economic Institute this month predicts 5-percent growth this year, one of the highest levels in Europe. Times have changed since Iceland's present center-right coalition took office in May 1983 and inflation was running at an annualized rate of 130 percent.

The government's opening move was simple, painful and not as politically suicidal as it might sound. The price-income indexation was uncoupled and nominal purchasing power fell at once by an estimated 30 percent. Inflation came down to 10 percent within six months only to rise again following a bitter, widespread six-week strike in the autumn of 1984.

In February this year the unions acted again, but this time joined employers and government to draw up a complex blueprint for recovery. Falling inflation made it possible, for once, to consolidate the gains from a sudden improvement in the external economic picture. Fish catches had risen, prices were soaring on the quality seafood export markets that bring in 70 percent of national earnings from foreign trade, and world prices had slumped.

This spring, the cost-of-living index dropped for the first time in 15 years. Latest forecasts predict a year of single-digit inflation, backed by even greater improvements in wages and the balance of payments than were first expected after the settlement on the labor front.

Top priority now, said Prime Minister Steingrimur Hermannsson of the centrist Progressive Party, is to reverse the trend toward inequality of income that has become more marked during the government's term.

This year's banking reform may even be a more significant achievement. It could well create a permanent framework for enshrining the stability that has proved paradoxically difficult to adjust to so far.

Making money work in the long-term has not been easy with the spendthrift consumerism nurtured under hyperinflation. Average unemployment is under 1 percent of the labor force, and many people have staved off the recession by simply putting in more overtime.

Driven by a strong work ethic, Iceland has continued to rub shoulders with the leading Western nations through classic standard-of-living indicators, such as one fish out of every three caught goes to service foreign debts.

Many seafood processors, whose exports ultimately support a vast service sector that employs half the national work force, buckle beneath heavy investment costs, their buying prices determined centrally while revenues are tied to the sliding dollar.

A buildup in the exploitation of "alternative energy," geothermal and hydropower, the country's other major resource, is responsible for more than half the foreign debt burden. And there is the potential for industrialization far beyond the financial capacity of the nation, where foreign investment is a highly sensitive issue.

Two wholly or partly foreign-owned metal smelters now yield one-sixth of export earnings, but finding newcomers from the depressed world metals market has proved much tougher than the government seemed at first to think.

The government, which is committed to ending earlier often arbitrary credit rationing, is getting tougher on rubber-stamping guarantees for foreign loans, and it is increasingly delegating funding decisions to the commercial banks.

Finance Minister Thorsteinn Palsson, leader of the rightist Independence Party, has stated that "foreign venture capital is preferable to foreign debts" — a motto which, if followed up, will need a parliamentary act to take effect.

One bill that the government will have to pay is the $12 million or more lost by the state-owned Fisheries Bank on its dealings with the private Hafskip shipping line, which collapsed late last year. Revitalizing the Fisheries Bank effectively would cost much more, and the reform of the entire sector would be better than simply pumping in funds.

Experts have assumed that of the two other government banks, the well-placed Agricultural Bank might be coerced into a merger, with the oldest and by far largest National Bank left to continue as normal. Some have been calling for a new superbank, a limited company in partnership with certain of the four smaller, dynamic private banks. They are known to be sympathetic if sufficient founding capital can be found.

For once, there is less urgency to act now and think tomorrow. Icelanders, who respect their past as much as they look to the future, can find in the still frequently quoted ancient Edda poems that "The man who stands at a strange threshold, should be cautious before he cross it, glance this way and that."

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Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

U.S. Futures

Via The Associated Press

Sept. 26

Grains

WHEAT (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
3.09	2.44	Dec	2.60½	2.64	2.60¼	2.64	+.03¼
3.08	2.43½	Mar	2.56½	2.59	2.56½	2.59	+.03
3.80	2.33¼	May	2.44½	2.45¼	2.43½	2.44½	+.01½
2.50	2.23¼	Jul	2.35¼	2.37½	2.35¼	2.36½	+.01½
2.42½	2.33	Sep				2.37½	+.02

Est. Sales Prev. Sales 5,169
Prev. Day Open Int. 35,995 up 876

CORN (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
2.35½	1.61	Dec	1.70	1.72½	1.69¾	1.72¼	+.02¼
2.42½	1.72½	Mar	1.79¾	1.82	1.79½	1.82	+.01¾
2.42	1.80	May	1.85¼	1.87	1.85¼	1.87	+.01¾
2.27	1.83	Jul	1.87½	1.88½	1.87¼	1.88¼	+.00¾
2.01½	1.82½	Sep	1.84	1.86	1.84	1.86	+.02
1.97	1.83	Dec	1.86	1.89½	1.87¼	1.89½	+.01½
1.98¼	1.95½	Mar	1.96½	1.97½	1.96½	1.97½	+.01

Est. Sales Prev. Sales 25,022
Prev. Day Open Int. 130,940 up 4,112

SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg.
5.56½	4.65¼	Nov	4.81½	4.83¼	4.79½	4.81¾	+.01¼
5.65	4.74	Jan	4.89½	4.91½	4.88	4.89¾	+.01¼
5.76	4.83½	Mar	4.98½	4.99½	4.96½	4.98¼	+.01
5.74	4.91¾	May	5.05¼	5.06	5.04	5.05¼	+.01
5.77½	4.93	Jul	5.07½	5.09	5.06¼	5.08¼	+.01½
5.40½	4.91½	Aug	5.05½	5.08¼	5.05½	5.07¼	+.01½
5.12	4.95½	Sep	5.04	5.04	5.02¼	5.03	
5.14	4.87½	Nov	5.04	5.05½	5.03½	5.05½	+.00½
5.19	5.12½	Jan				5.14	

Est. Sales Prev. Sales 20,035
Prev. Day Open Int. 61,744 off 635

SOYBEAN MEAL (CBT) 100 tons- dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg.
162.10	136.00	Oct	149.50	150.00	149.00	149.80	+.40
162.10	136.00	Dec	150.00	151.20	149.50	150.90	+.80
163.10	136.00	Jan	151.00	151.90	150.60	151.40	+.80
163.10	143.00	Mar	152.00	153.20	152.00	153.20	+1.10
149.70	143.80	May	153.50	154.50	152.90	154.50	+1.10
159.00	146.10	Jul	153.00	154.90	153.00	154.50	+.70
157.50	147.00	Aug	153.60	155.50	153.00	155.20	+1.50
157.00	150.00	Sep	153.00	154.00	153.00	154.10	+1.10

Est. Sales Prev. Sales 13,508
Prev. Day Open Int. 53,908 off 408

SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.

Season High	Season Low		Open	High	Low	Close	Chg.
22.80	13.18	Oct	14.15	14.20	14.01	14.04	—.17
22.50	13.43	Dec	14.68	14.71	14.58	14.64	—.10
22.35	13.81	Jan	14.85	14.85	14.73	14.75	—.13
20.25	14.10	Mar	15.05	15.06	14.98	15.04	—.11
20.90	14.40	May	15.30	15.30	15.20	15.25	—.10
18.70	14.35	Jul	15.50	15.50	15.37	15.40	—.18
18.40	14.65	Aug	15.63	15.63	15.43	15.45	—.18
16.10	14.68	Sep	15.58	15.60	15.50	15.50	—.10
16.15	14.82	Oct	15.75	15.75	15.55	15.60	+.04

Est. Sales Prev. Sales 13,259
Prev. Day Open Int. 52,919 off 769

Livestock

CATTLE (CME) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
62.65	49.45	Oct	59.80	60.45	59.55	60.20	+.53
61.75	51.60	Dec	56.80	57.42	56.65	57.07	+.40
60.50	51.70	Feb	56.25	56.75	56.25	56.52	+.47
59.87	53.30	Apr	57.25	57.80	57.25	57.62	+.35
60.00	54.25	Jun	57.35	57.60	57.20	57.60	+.40
58.00	55.20	Aug	55.90	55.90	55.70	55.70	+.10
56.50	55.00	Oct				55.80	

Est. Sales 13,862 Prev. Sales 21,932
Prev. Day Open Int. 62,145 off 597

FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
65.12	52.85	Oct	62.00	62.25	61.90	62.05	+.08
65.95	54.15	Nov	62.65	62.95	62.40	62.80	+.15
65.70	56.25	Jan	62.65	62.90	62.35	62.90	+.20
65.55	56.75	Mar	62.10	62.37	62.00	62.30	+.10
64.50	57.00	Apr	61.80	62.07	61.70	62.05	+.05
63.60	60.70	May	60.80	61.00	60.65	61.00	+.10
		Aug	61.25	61.25	61.25	61.25	

Est. Sales 1,148 Prev. Sales 1,009
Prev. Day Open Int. 9,534 up 63

HOGS (CME) 30,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
59.20	36.50	Oct	51.90	52.45	51.80	51.85	+.10
57.60	38.37	Dec	52.05	52.15	51.70	51.82	+.25
56.80	40.00	Feb	51.45	51.65	50.90	50.92	—.30
50.75	37.20	Apr	46.90	46.92	46.15	46.27	—.22
51.85	39.00	Jun	49.15	49.20	48.75	48.90	—.02
50.90	40.20	Jul	48.40	48.80	48.30	48.50	—.45
49.75	42.75	Aug	47.10	47.70	46.97	47.35	+.25
45.70	41.20	Oct	44.00	44.80	43.60	43.90	—.05
45.75	43.10	Dec	44.00	44.00	43.40	43.90	—.05

Est. Sales 7,977 Prev. Sales 15,213
Prev. Day Open Int. 33,364 off 238

PORK BELLIES (CME) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
81.85	56.40	Feb	69.70	70.30	68.20	68.47	—.95
80.67	56.30	Mar	69.00	69.35	67.55	67.82	—.65
79.87	58.00	May	68.60	69.20	67.45	67.60	—.67
77.50	59.60	Jul	68.50	68.50	67.10	67.55	—.35
74.60	64.50	Aug	65.80	65.90	64.90	65.35	+.38

Est. Sales 6,736 Prev. Sales 5,358
Prev. Day Open Int. 7,975 off 215

Food

COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
287.10	138.00	Dec	210.50	211.00	206.00	206.18	—5.92
290.33	156.75	Mar	202.00	202.50	197.75	199.08	—4.76
291.83	162.25	May	200.25	201.00	198.42	198.42	—4.80
266.25	168.00	Jul	200.50	201.00	200.50	199.10	—4.00
255.00	171.50	Sep				200.00	—4.00
208.25	180.00	Dec				200.70	—4.00

Est. Sales 4,618 Prev. Sales 4,490
Prev. Day Open Int. 17,202 up 172

SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
9.40	4.02	Oct	5.12	5.30	4.92	4.93	—.17
9.50	5.30	Jan	5.73	5.75	5.65	5.50	—.20
9.64	5.83	Mar	6.25	6.41	6.11	6.13	—.14
9.82	6.08	May	6.49	6.63	6.31	6.45	—.04
9.92	6.27	Jul	6.67	6.78	6.58	6.62	—.06
7.92	6.20	Sep				6.72	—.06
9.68	6.51	Oct	6.88	6.96	6.76	6.85	—.05

Est. Sales 24,432 Prev. Sales 12,731
Prev. Day Open Int. 89,684 off 817

COCOA (NYCSCE) 10 metric tons- $ per ton

Season High	Season Low		Open	High	Low	Close	Chg.
2425	1776	Dec	2003	2010	1990	2000	—13
2385	1825	Mar	2035	2038	2021	2023	—21
2260	1863	May	2060	2060	2048	2051	—18
2270	1875	Jul	2070	2070	2070	2070	—16
2290	1904	Sep	2095	2095	2078	2086	—16
2320	2068	Dec	2100	2100	2100	2101	—16

Est. Sales 4,159 Prev. Sales 2,553
Prev. Day Open Int. 25,404 up 146

ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
125.00	82.50	Nov	105.70	107.30	105.70	107.05	+.75
113.00	82.75	Jan	107.60	108.10	107.60	107.70	+.40
122.00	83.90	Mar	107.50	108.40	107.30	107.85	+.50
109.90	84.50	May	108.45	108.60	108.40	108.55	+.15
110.60	84.75	Jul	108.50	108.80	108.50	108.70	+.25
111.50	107.00	Sep	109.00	109.20	109.00	109.15	+.25
112.00	108.00	Nov				109.45	+.05
		Jan				110.05	+.30

Est. Sales 400 Prev. Sales 410
Prev. Day Open Int. 7,378 off 63

Metals

COPPER (COMEX) 25,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
70.90	56.60	Sep	60.60	60.70	60.60	60.60	—.20
62.05	60.65	Oct				60.65	—.25
		Nov				60.95	—.25
70.30	57.50	Dec	61.40	61.50	61.15	61.25	—.20
70.20	58.00	Jan				61.35	—.20
70.00	58.20	Mar	61.70	61.75	61.50	61.55	—.20
70.10	58.60	May	61.80	62.05	61.80	61.85	—.20
69.95	59.20	Jul	62.35	62.35	62.30	62.10	—.20
70.35	59.45	Sep	62.40	62.40	62.40	62.40	—.15
69.50	60.05	Dec				62.85	—.15
70.80	60.65	Jan				62.95	—.15
68.50	60.70	Mar				63.25	—.15
64.10	61.50	May				63.55	—.15
		Jul				63.85	—.15

Est. Sales 2,400 Prev. Sales 4,326
Prev. Day Open Int. 66,483 up 556

ALUMINUM (COMEX) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
61.20	46.90	Sep	51.55	51.65	51.55	51.85	
		Oct				51.85	—.20
		Nov				51.95	—.15
61.75	48.95	Dec	52.25	52.80	52.15	52.30	—.15
57.60	56.00	Jan				52.35	—.15
59.40	51.55	Mar				52.60	—.10
57.65	49.40	May				52.85	—.10
60.45	50.00	Jul				53.10	—.10
52.15	51.50	Sep				53.30	—.10
		Dec				53.40	—.10
		Jan				53.60	—.10
		Mar				53.70	—.10
		May				53.80	—.10
		Jul				53.90	—.10

Est. Sales 55 Prev. Sales 119
Prev. Day Open Int. 898 off 15

SILVER (COMEX) 5,000 troy oz.- cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
940.0	493.0	Sep	567.5	570.0	562.0	558.0	—18.8
582.0	523.0	Oct	566.0	566.0	566.0	558.9	—18.8
		Nov				561.0	—18.8
799.0	503.0	Dec	577.0	578.0	562.0	564.8	—19.0
789.0	578.5	Jan	580.0	580.0	566.0	566.9	—19.1
770.0	511.0	Mar	587.0	587.0	570.5	572.6	—19.2
752.0	520.0	May	593.5	595.0	577.5	578.4	—19.4
746.8	524.0	Jul	600.0	600.0	585.0	584.4	—19.6
729.2	532.0	Sep	604.0	604.0	594.0	590.8	—19.8
694.0	543.5	Dec	618.0	618.0	602.0	600.4	—20.1
607.0	553.0	Jan				603.9	—20.1
657.0	535.0	Mar	629.0	629.0	622.0	611.2	—20.3
666.0	567.0	May	633.0	633.0	631.0	618.9	—20.5
660.0	585.0	Jul	630.0	638.0	630.0	626.8	—20.7

Est. Sales 20,000 Prev. Sales 18,391
Prev. Day Open Int. 77,404 off 787

PLATINUM (NYME) 50 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
682.00	303.50	Oct	578.00	590.00	575.00	577.30	—5.50
686.40	347.00	Jan	582.00	596.00	578.00	580.80	—5.70
689.50	361.00	Apr	586.00	598.00	584.50	584.50	—5.70
695.00	417.50	Jul	590.00	601.00	589.00	590.50	—5.70
696.80	464.00	Oct	607.00	607.00	607.00	595.00	—5.70
		Jan	612.00	612.00	612.00	599.80	

Est. Sales Prev. Sales 11,504
Prev. Day Open Int. 34,214 off 54

PALLADIUM (NYME) 100 troy oz.- dollars per oz

Season High	Season Low		Open	High	Low	Close	Chg.
150.00	115.50	Oct				137.40	—1.30
153.00	94.25	Dec	135.15	139.25	132.00	137.35	—1.30
152.50	102.00	Mar	136.50	140.50	135.00	137.65	—1.30
153.00	112.50	Jun				137.60	—1.30
151.50	141.00	Sep				138.35	—1.30

Est. Sales Prev. Sales 590
Prev. Day Open Int. 6,609 up 90

GOLD (COMEX) 100 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg.
471.00	380.50	Sep				427.20	—7.30
441.50	331.50	Oct	432.30	433.80	426.00	427.30	—7.40
443.50	407.50	Nov				428.80	—7.30
446.00	336.50	Dec	437.00	438.10	429.50	431.50	—7.30
449.50	337.30	Feb	442.00	442.00	433.50	435.20	—7.40
453.00	346.30	Apr	442.10	445.00	438.20	438.60	—7.50
453.50	350.50	Jun	448.50	449.00	448.00	442.30	—7.60
455.00	356.00	Aug				446.30	—7.70
460.00	361.00	Oct	455.70	455.70	455.70	450.20	—7.80
470.00	365.00	Dec	459.80	461.50	457.90	454.30	—7.90
473.00	371.50	Feb	461.80	466.00	460.70	458.90	—8.00
479.00	378.00	Apr	472.00	472.00	471.00	463.60	—8.00
484.00	399.00	Jun	474.00	474.00	474.00	468.40	—8.00

Est. Sales 40,000 Prev. Sales 37,391
Prev. Day Open Int. 147,639 up 814

Financial

CERT. DEPOSIT (IMM) $1 million- pts of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
94.50	87.86	Sep				94.22	
94.50	88.34	Dec				94.38	+.02
91.15	91.15	Sep				93.66	+.01

Est. Sales Prev. Sales
Prev. Day Open Int. 24 off 1

EURODOLLARS (IMM) $1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
94.41	87.28	Dec	93.96	94.03	93.88	94.01	+.06
94.32	87.64	Mar	93.85	93.93	93.78	93.90	+.01
94.13	88.84	Jun	93.62	93.70	93.55	93.67	+.02
93.82	89.29	Sep	93.36	93.43	93.20	93.32	+.03
93.48	90.18	Dec	92.80	92.89	92.78	92.92	+.03
93.10	90.94	Mar	92.44	92.48	92.40	92.52	+.03
92.78	91.49	Jun	92.03	92.17	92.02	92.13	+.02

Est. Sales Prev. Sales 63,499
Prev. Day Open Int. 216,290 up 2,856

EUROPEAN CURRENCY (IMM) 125,000 units

Season High	Season Low		Open	High	Low	Close	Chg.
104.80	94.86	Dec	102.02	102.03	101.70	101.70	—.34

Est. Sales 10 Prev. Sales 5
Prev. Day Open Int. 14

BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
1.5360	1.3250	Dec	1.4240	1.4280	1.4200	1.4220	+20
1.5170	1.4085	Mar	1.4050	1.4090	1.4025	1.4055	+20
1.4630	1.3830	Jun	1.3980	1.3980	1.3980	1.3970	+20
1.4450	1.3750	Sep	1.3740	1.3740	1.3740	1.3800	+20

Est. Sales 9,751 Prev. Sales 8,187
Prev. Day Open Int. 35,254 up 756

CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.7285	.6790	Dec	.7156	.7173	.7148	.7172	+15
.7256	.6770	Mar	.7110	.7115	.7110	.7122	+16
.7243	.6995	Jun				.7092	+18
.7075	.6950	Sep				.7022	+19
.6960	.6960	Dec				.6972	+20

Est. Sales 806 Prev. Sales 637
Prev. Day Open Int. 9,556 off 38

FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001

Season High	Season Low		Open	High	Low	Close	Chg.
.15700	.14300	Dec	.14800	.14880	.14800	.14810	—185
.14950	.14500	Mar	.14800	.14800	.14800	.14850	—135

Est. Sales 29 Prev. Sales
Prev. Day Open Int. 198

GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.5059	.4090	Dec	.4909	.4911	.4888	.4897	—16
.5076	.4370	Mar	.4924	.4924	.4906	.4908	—16
.5094	.4850	Jun	.4946	.4950	.4945	.4929	—16
		Sep	.4960	.4960	.4960	.4944	—16

Est. Sales 13,412 Prev. Sales 13,745
Prev. Day Open Int. 41,728 off 146

JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001

Season High	Season Low		Open	High	Low	Close	Chg.
.006608	.004720	Dec	.006503	.006507	.006486	.006490	—15
.006631	.005850	Mar	.006517	.006522	.006506	.006508	—15
.006635	.006456	Jun	.006546	.006546	.006546	.006527	—14
		Sep				.006547	—14

Est. Sales 7,116 Prev. Sales 4,531
Prev. Day Open Int. 28,669 off 833

SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg.
.6068	.4878	Dec	.6068	.6068	.6019	.6022	—35
.6295	.5125	Mar	.6086	.6086	.6041	.6047	—35
.6318	.6038	Jun	.6100	.6110	.6075	.6072	—35
.6325	.6120	Sep	.6100	.6100	.6100	.6097	—35

Est. Sales 15,066 Prev. Sales 11,921
Prev. Day Open Int. 26,694 off 311

US T. BILLS (IMM) $1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg.
95.08	89.05	Dec	94.76	94.81	94.68	94.80	+.01
95.07	89.58	Mar	94.70	94.75	94.63	94.73	—.01
94.89	90.50	Jun	94.45	94.52	94.45	94.54	—.01
94.66	90.83	Sep	94.15	94.24	94.14	94.23	
94.34	91.48	Dec	93.80	93.80	93.77	93.87	
94.07	92.18	Mar	93.44	93.44	93.41	93.51	
94.03	93.06	Jun	93.11	93.11	93.06	93.15	—.01

Est. Sales Prev. Sales 6,181
Prev. Day Open Int. 34,740 off 3,035

10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
104-15	80-2	Dec	100-22	101-17	100-17	101-17	+11
103-16	89-15	Mar	99-24	100-21	99-21	100-20	+11
101-23	98-8	Jun	99-18	99-24	99-18	99-24	+12
97-20	97-15	Sep				98-29	+13
96-25	96-20	Dec				98-3	+14

Est. Sales Prev. Sales 13,788
Prev. Day Open Int. 63,775 up 1,044

US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg.
103-25	56-25	Dec	94-12	95-28	94-4	95-21	+14
102-30	56-27	Mar	93-15	94-29	93-6	94-22	+13
102-5	63-12	Jun	92-21	93-27	92-8	93-22	+12
101-12	63-4	Sep	91-17	92-30	91-12	92-24	+11
101-10	62-24	Dec	90-19	92-3	90-19	91-29	+11
100-26	67	Mar	90-5	91-14	89-27	91-4	+11
99-23	66-25	Jun	89-28	90-20	89-28	90-13	+10
99-12	76-8	Sep				89-24	+10
99-2	85-16	Dec	88-8	89-11	88-8	89-7	+10
95-10	85-18	Mar				88-23	+10
86-16	85-25	Jun				88-9	+10

Est. Sales Prev. Sales 258,379
Prev. Day Open Int. 211,326 off 1,600

MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg.
100-8	88-20	Dec	95-6	95-31	94-28	95-26	+6
100-1	93-5	Mar				95-6	+6
95-4	94-10	Jun				94-26	+6

Est. Sales Prev. Sales 4,241
Prev. Day Open Int. 8,086 up 521

Industrials

LUMBER (CME) 130,000 bd. ft.- $ per 1,000 bd. ft.

Season High	Season Low		Open	High	Low	Close	Chg.
186.90	146.00	Nov	164.80	169.70	164.20	167.60	+1.30
182.00	150.00	Jan	163.30	166.10	161.70	164.60	+1.00
180.50	153.60	Mar	163.30	166.00	162.20	164.00	+.80
178.50	153.50	May	163.50	164.00	163.30	164.50	+.30
177.80	155.10	Jul	164.00	164.00	164.00	164.50	
177.80	163.50	Sep	164.50	164.50	164.50	165.00	
165.00	161.40	Nov	164.00	164.00	164.00	163.20	

Est. Sales 1,446 Prev. Sales 2,107
Prev. Day Open Int. 5,196 off 42

COTTON 2 (NYCE) 50,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg.
65.50	29.50	Oct	42.70	42.85	41.75	41.60	—1.80
59.25	30.15	Dec	43.50	43.55	41.92	42.05	—1.80
49.50	30.95	Mar	44.20	44.40	42.73	42.77	—1.85
52.75	31.50	May	44.65	44.70	43.20	43.50	—1.75
49.40	32.32	Jul	45.00	45.00	43.80	43.80	—1.50
50.35	33.50	Oct				45.20	—1.57
51.10	34.80	Dec	46.70	47.00	45.40	45.85	—1.45
47.50	47.50	Mar				46.35	—1.65

Est. Sales 5,000 Prev. Sales 5,340
Prev. Day Open Int. 24,631 off 300

HEATING OIL (NYME) 42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg.
73.25	31.50	Oct	40.20	40.55	39.95	40.17	+.47
73.80	32.40	Nov	41.25	42.00	41.20	41.57	+.71
73.40	33.30	Dec	42.50	43.20	42.35	42.85	+.67
67.00	32.85	Jan	43.45	44.00	43.45	43.77	+.52
61.00	34.50	Feb	43.75	44.25	43.70	44.05	+.55
46.40	32.80	Mar	41.60	41.85	41.50	41.66	+.55
43.95	30.90	Apr	38.75	39.80	38.75	39.85	+.45
42.50	32.50	May	38.80	38.80	38.70	38.40	+.45
41.20	38.50	Jun				38.70	+.45
41.50	40.35	Aug				40.15	+.45
		Sep					

Est. Sales Prev. Sales 8,617
Prev. Day Open Int. 72,339 off 1,341

CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.

Season High	Season Low		Open	High	Low	Close	Chg.
26.60	10.25	Nov	14.35	14.65	14.35	14.45	+.18
26.45	10.40	Dec	14.53	14.75	14.70	14.59	+.18
24.30	10.45	Jan	14.50	14.70	14.48	14.54	+.19
24.90	10.50	Feb	14.35	14.62	14.35	14.48	+.20
17.50	10.55	Mar	14.35	14.50	14.35	14.46	+.30
16.00	10.70	May	14.40	14.50	14.40	14.45	+.31
		Aug				14.20	

Est. Sales Prev. Sales 22,953
Prev. Day Open Int. 95,508 off 1,519

Stock Indexes

SP COMP. INDEX (CME) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
257.25	209.50	Dec	229.40	234.50	229.75	231.95	+.60
258.45	228.00	Mar	231.00	236.30	230.70	233.15	+.65
259.20	230.00	Jun	232.20	232.20	232.00	234.25	+.75
239.20	237.75	Sep	233.10	233.10	233.10	235.35	+.75

Est. Sales 67,250 Prev. Sales 84,203
Prev. Day Open Int. 116,990 up 2,061

VALUE LINE (KCBT) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
250.10	210.80	Dec	217.50	222.45	217.30	219.40	+1.05
258.00	216.00	Mar	217.55	219.45	217.55	219.20	+1.30

Est. Sales Prev. Sales 3,189
Prev. Day Open Int. 5,658 off 208

NYSE COMP. INDEX (NYFE) points and cents

Season High	Season Low		Open	High	Low	Close	Chg.
148.00	121.10	Dec	132.30	134.75	132.20	133.40	+.25
148.95	128.00	Mar	132.75	135.20	132.70	133.90	+.28
149.00	131.05	Jun	134.20	134.20	133.20	134.40	+.15
137.60	137.00	Sep				134.90	+.10

Est. Sales 10,572 Prev. Sales 15,612
Prev. Day Open Int. 21,558 up 715

Commodity Indexes

	Close	Previous
Moody's	909.30 f	913.00 f
Reuters	1,546.50	1,546.70
D.J. Futures	123.75	125.43
Com. Research	209.19	209.59

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

PHILADELPHIA EXCHANGE Sept. 26

Option & Underlying	Strike Price	Calls—Last Oct	Nov	Dec	Puts—Last Oct	Nov	Dec
12,500 British Pounds-cents per unit.							
BPound	140	3.70	4.40	5.10	r	1.40	2.50
143.53	145	0.70	1.75	3.50	2.50	3.80	4.90
143.53	150	0.15	r	1.05	r	r	8.55
143.53	155	r	r	0.40	r	r	r
50,000 Canadian Dollars-cents per unit.							
CDollr	70	r	r	r	r	0.05	r
72.04	71	r	r	r	r	0.21	r
72.04	72	r	0.37	0.50	0.33	r	0.85
72.04	73	r	0.13	r	r	r	r
72.04	74	r	r	0.10	r	r	r
62,500 West German Marks-cents per unit.							
DMark	46	r	r	r	r	0.14	0.27
48.76	47	r	r	2.49	0.08	0.32	0.50
48.76	48	1.12	r	r	0.29	0.59	0.88
48.76	49	0.53	0.98	1.26	0.62	1.04	1.30
48.76	50	0.18	0.60	0.84	r	r	1.80
48.76	51	0.08	0.35	0.57	r	r	r
48.76	52	0.02	0.19	0.33	r	r	r
125,000 French Francs-10ths of a cent per unit.							
FFranc	145	r	r	r	r	1.40	r
6,250,000 Japanese Yen-100ths of a cent per unit.							
JYen	60	r	r	r	r	s	0.18
64.72	61	r	r	r	0.01	0.13	0.25
64.72	63	r	r	r	0.11	0.42	0.67
64.72	64	1.12	r	2.00	0.31	0.80	r
64.72	65	0.51	r	1.43	0.65	1.25	r
64.72	66	0.20	0.70	1.02	r	r	r
64.72	67	0.07	r	0.75	r	r	r
64.72	68	0.04	r	0.54	r	r	r
62,500 Swiss Francs-cents per unit.							
SFranc	57	r	r	s	r	s	0.47
60.16	59	r	r	r	0.34	r	r
60.16	60	0.78	r	1.89	0.64	r	r
60.16	61	0.34	0.95	1.32	1.24	r	r
60.16	62	0.16	0.72	0.94	r	r	r
60.16	63	0.09	r	0.48	r	r	r
60.16	64	r	0.27	0.52	r	r	r
60.16	65	r	r	0.33	r	r	r

Total call vol. 18,869 Call open int. 257,858
Total put vol. 15,773 Put open int. 381,993
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

NYSE Highs-Lows

NEW HIGHS 22

AmMotr pf	AndrsClay	Benefi Cp	Benef 550pf
BklynUGs pf	C 3 Inc	ChasMnh 760	DravoCp
GelcoCp	GaPac pf	HolidayCorp	HolidayCp A
HousInt 250	InterReg	KaisCemt	NewsLtd n
OhEd 1076pf	TRE Corp	ToddShip pf	TollBros n
TWA pf	Zweig n		

NEW LOWS 8

AmBusPrd	ClairesStr	DataGenl	FairCom
Logicon	Nat Stand	Rohrind s	WstCoNA pf

Malaysian Court Puts Promet in Receivership

Agence France-Presse

KUALA LUMPUR, Malaysia — Promet Bhd, a diversified Malaysia-based company, and four subsidiaries were placed in receivership by the High Court on Friday after an application by 10 banks, the official news agency Bernama reported.

Peat Marwick Mitchell & Co. was appointed receiver for the marine, engineering and construction group.

Promet had been struggling to reschedule debts estimated at 300 million ringgit ($114.4 million) over the past year after the economic downturn hurt its earnings from oil and property investments. Group earnings had peaked at 115.55 million ringgit in 1983.

The 10 banks that obtained Friday's court order were Manufacturers Hanover Trust Co., First Interstate Bank of California, Hongkong & Shanghai Banking Corp., Bank Bumiputra Malaysia Bhd, Royal Bank of Canada, Morgan Guaranty Trust Co., Amsterdam-Rotterdam Bank (Asia) Ltd., Banque Nationale de Paris, Lloyds Bank International Ltd. and National Bank of Abu Dhabi.

Eurotunnel Group Plans £206-Million Share Issue

Reuters

PARIS — The Anglo-French Eurotunnel consortium, set up to build a rail tunnel under the English Channel, will make a private share issue next month to raise money for the project, a consortium official, Jean-Paul Parayre, said Friday.

The issue will be worth £206 million ($300 million), Mr. Parayre said at a news conference.

The move follows confirmation from an international banking syndicate Thursday that it would provide £5 billion in financing for the project, 80 percent in the form of loans and the rest as standby credits, he said.

The Eurotunnel consortium had intended to make the private share issue in July, but its plans were delayed by negotiations with banks.

A further much larger international public share issue of about £750 million is slated for the middle of next year.

Two-thirds of next month's private share placement, which is reserved for institutional investors, will be aimed at the British and French markets, with the rest split between the United States, Japan and other European countries.

Company Earnings

Australia

Elders IXL

Year	1986	1985
Revenue	7,380.	6,480.
Profits	181.41	186.90
Per Share	0.54	0.34

Pioneer Concrete

Year	1986	1985
Revenue	2,980.	2,740.
Profits	122.47	105.05
Per Share	0.285	0.264

France

Beghin-Say

1st Half	1986	1985
Pretax Net	224.0	43.0

Imetal

1st Half	1986	1985
Revenue	3,430.	4,730.
Profits	8.6	107.1

Valeo

1st Half	1986	1985
Revenue	4,150.	n.a.
Profits	140.0	(a)22.0

a: loss.

Japan

Komatsu

1st Half	1986	1985
Revenue	411,460.	398,530.
Profits	9,540.	14,150.
Per Share	11.00	16.50

United States

Avery International

3rd Quar.	1986	1985
Revenue	271.6	226.3
Net Inc.	10.4	10.3
Per Share	0.52	0.52
9 Months	1986	1985
Revenue	801.6	681.8
Net Inc.	35.2	35.5
Per Share	1.77	1.80

Donaldson

4th Quar.	1986	1985
Revenue	69.0	64.5
Net Inc.	3.22	3.36
Per Share	0.61	0.64
Year	1986	1985
Revenue	270.6	261.9
Net Inc.	15.64	11.42
Per Share	2.96	2.18

Int'l Multifoods

2nd Quar.	1986	1985
Revenue	372.80	316.30
Net Inc.	5.17	5.57
Per Share	0.36	0.45
1st Half	1986	1985
Revenue	736.20	637.40
Net Inc.	7.92	8.20
Per Share	0.57	0.67

Mondays in the Trib. Get the latest word from William Safire on Language.

Paris Commodities

Sept. 26

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Dec	1,208	1,190	1,196	1,202	+11
Mar	1,228	1,214	1,222	1,228	+18
May	1,260	1,260	1,260	1,265	+18
Aug	N.T.	N.T.	1,281	1,299	+16
Oct	N.T.	N.T.	1,320	1,329	+21
Dec	N.T.	N.T.	1,358	1,364	+17

Est. vol.: 850 lots of 50 tons. Prev. actual sales: 939 lots. Open interest: 24,292

	High	Low	Close Bid	Ask	Ch'ge
COCOA French francs per 100 kg					
Sep	N.T.	N.T.	—	1,400	—5
Dec	N.T.	N.T.	1,420	1,445	—5
Mar	N.T.	N.T.	1,455	1,475	+5
May	N.T.	N.T.	1,465	—	—20
Jly	N.T.	N.T.	1,475	—	—20
Sep	N.T.	N.T.	1,485	—	—20
Dec	N.T.	N.T.	1,495	—	—20

Est. vol.: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open interest: 105

	High	Low	Close Bid	Ask	Ch'ge
COFFEE French francs per 100 kg					
Sep	N.T.	N.T.	2,250	2,350	Unch.
Nov	2,370	2,320	2,342	2,348	—6
Jan	2,340	2,310	—	2,340	Unch.
Mar	2,370	2,225	2,265	2,252	+3
May	N.T.	N.T.	—	2,250	+10
Jly	N.T.	N.T.	—	2,250	+10
Sep	N.T.	N.T.	—	2,270	Unch.

Est. vol.: 69 lots of 5 tons. Prev. actual sales: 157 lots. Open interest: 776
Source: Bourse du Commerce.

London Commodities

Sept. 26

	High	Low	Close Bid	Ask	Previous Bid	Ask
SUGAR Sterling per metric ton						
Oct	116.20	107.20	107.40	107.80	112.20	112.40
Dec	129.40	124.20	125.00	126.00	127.00	128.40
Mar	143.20	136.60	137.80	138.20	140.20	140.40
May	145.80	143.80	143.60	144.80	145.20	145.60
Aug	N.T.	N.T.	149.00	149.60	150.80	151.60
Oct	N.T.	N.T.	153.00	153.60	155.50	155.40

Volume: 2,376 lots of 50 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
COCOA Sterling per metric ton						
Sep	1,480	1,478	1,476	1,479	1,480	1,482
Dec	1,520	1,502	1,514	1,515	1,520	1,521
Mar	1,561	1,544	1,554	1,556	1,563	1,564
May	1,580	1,564	1,577	1,579	1,580	1,582
Jly	1,598	1,585	1,594	1,598	1,598	1,600
Sep	1,620	1,605	1,613	1,615	1,618	1,620
Dec	1,636	1,622	1,634	1,635	1,638	1,645

Volume: 3,523 lots of 10 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
COFFEE Sterling per metric ton						
Sep	2,466	2,425	2,460	2,465	2,437	2,440
Nov	2,485	2,430	2,470	2,475	2,450	2,452
Jan	2,435	2,375	2,420	2,425	2,395	2,398
Mar	2,360	2,310	2,358	2,360	2,320	2,327
May	2,330	2,300	2,348	2,350	2,305	2,317
Jly	2,300	2,330	2,320	2,360	2,310	2,317
Sep	N.T.	N.T.	2,300	2,350	2,290	2,317

Volume: 4,122 lots of 5 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
GASOIL U.S. dollars per metric ton						
Oct	117.50	115.50	116.75	117.00	114.50	116.75
Nov	124.00	121.75	123.75	124.00	122.75	123.00
Dec	128.75	126.75	128.50	129.00	127.25	127.50
Jan	132.50	130.00	132.00	132.50	130.00	130.50
Feb	N.T.	N.T.	132.75	134.00	131.00	132.00
Mar	N.T.	N.T.	122.00	125.00	120.00	125.00
Apr	N.T.	N.T.	115.00	125.00	117.00	124.00
May	N.T.	N.T.	113.00	125.00	116.00	126.00
Jne	N.T.	N.T.	111.00	125.00	116.00	126.00

Volume: 2,008 lots of 100 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
CRUDE OIL (BRENT) U.S. dollars per barrel						
Nov	N.T.	N.T.	—	114.15	N.Q.	N.Q.
Dec	114.45	114.40	114.40	114.45	N.Q.	N.Q.
Jan	N.T.	N.T.	114.20	—	N.Q.	N.Q.

Volume: 50 lots of 1,000 barrels.
Sources: Reuters and London Petroleum Exchange (gasoil, crude oil).

London Metals

Sept. 26

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM Sterling per metric ton				
Spot	826.00	828.00	832.00	835.00
Forward	814.00	814.50	815.00	815.50
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	939.00	939.50	935.00	937.00
Forward	961.00	961.50	957.50	958.00
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	715.00	917.00	912.00	916.00
Forward	940.00	941.00	936.00	940.00
LEAD Sterling per metric ton				
Spot	277.50	278.00	277.50	278.00
Forward	282.00	282.50	282.50	283.00
NICKEL Sterling per metric ton				
Spot	2607.00	2612.00	2605.00	2610.00
Forward	2657.00	2660.00	2650.00	2660.00
SILVER Pence per troy ounce				
Spot	393.50	395.50	407.00	408.00
Forward	403.50	405.50	417.00	418.00
ZINC (High Grade) Sterling per metric ton				
Spot	613.00	614.00	605.50	606.50
Forward	616.00	616.50	610.00	611.00

Source: AP.

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S&P 100 Index Options

Sept. 26

Strike Price	Calls-Last Oct	Nov	Dec	Jan	Puts-Last Oct	Nov	Dec	Jan
205	16½	16¼	—	—	9/16	1⅛	2⅛	3⅜
210	10½	12¼	14	—	1⅛	2¼	4⅛	5
215	7⅛	9¼	10⅛	—	1⅝	5⅛	6⅜	7
220	4⅛	6⅛	n.a.	9	3	7⅜	8⅝	9½
225	2	4½	5⅛	6½	8⅜	10⅝	n.a.	—
230	1	2⅝	4	—	12⅛	13⅛	15⅛	—
235	7/16	n.o.	2⅜	3⅝	16⅛	18¼	17½	20
240	⅛	1	1⅛	—	22	21	—	—
245	1/16	9/16	1⅛	—	—	—	—	—
250	1/16	n.o.	13/16	—	—	—	29	—
255	1/16	—	—	—	—	—	—	—

Total call volume 143,635
Total call open int. 534,258
Total put volume 157,534
Total put open int. 477,818
Index:
High 221.21 Low 218.11 Close 219.39 + 0.58
Source: CBOE.

Asian Commodities

Sept. 26

KUALA LUMPUR RUBBER Malaysian cents per kilo

	Close Bid	Ask	Previous Bid	Ask
Oct	231.00	233.00	231.00	232.00
Nov	222.00	224.00	222.00	224.00
Dec	233.00	235.00	233.00	235.00
Jan	233.00	235.00	233.00	235.00
Feb	234.00	236.00	234.00	236.00
Mar	235.00	237.00	235.00	237.00

Volume: 0 lots.

SINGAPORE RUBBER Singapore cents per kilo

	Close Bid	Ask	Previous Bid	Ask
RSS 1 Oct	195.00	196.00	194.00	195.00
RSS 1 Nov	194.50	195.00	193.50	193.75
RSS 2 Oct	185.50	187.50	184.50	186.50
RSS 3 Oct	183.50	185.50	182.50	184.50
RSS 4 Oct	178.00	180.00	177.00	179.00
RSS 5 Oct	174.00	176.00	173.00	175.00

KUALA LUMPUR PALM OIL Malaysian ringgits per 25 tons

	Close Bid	Ask	Previous Bid	Ask
Oct	480.00	485.00	489.00	494.00
Nov	480.00	485.00	495.00	496.00
Dec	483.00	485.00	497.00	498.00
Jan	483.00	488.00	498.00	500.00
Feb	480.00	490.00	495.00	500.00
Mar	485.00	490.00	500.00	510.00
May	485.00	495.00	500.00	510.00
Jly	500.00	510.00	515.00	525.00
Sep	505.00	515.00	520.00	530.00

Volume: 54 lots of 25 tons.
Source: Reuters.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

Sept. 26

Strike Price	Calls-Settle Sep	Dec	Mar	Puts-Settle Sep	Dec	Mar
47	2.26	2.95	—	0.49	0.92	1.25
48	1.70	2.34	2.87	0.80	1.30	—
49	1.17	1.83	2.36	1.25	1.73	2.06
50	0.76	1.43	1.91	1.84	2.28	2.59
51	0.48	1.08	1.53	2.54	2.92	—
52	0.29	0.82	—	3.22	—	—

Estimated total vol. 7,035
Calls: Thu. vol. 3,869 open int. 39,624
Puts: Thu. vol. 2,317 open int. 35,157
Source: CME.

U.S. Treasuries

Sept. 26

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	5.24	5.22	5.38	5.37
6-month bill	5.37	5.35	5.59	5.56
1-year bill	5.48	5.46	5.78	5.75
	Bid	Offer	Yield	Prev. Yield
30-yr. bond	95 15/32	95 17/32	7.63	7.65

Source: Salomon Brothers.

Merrill Lynch Treasury index: 155.16
Change for the day: —0.05
Average yield: n.a. %
Source: Merrill Lynch.

Cash Prices

Sept. 26

Commodity and Unit	Fri.	Year Ago
Coffee 4 Santos, lb	2.87	1.37
Printcloth 64/30 38 ½, yd	0.75	0.61
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	74-77	77-78
Lead Spot, lb	23½-24	19-20
Copper elect., lb	67-67½	66-69
Tin (Straits), lb	3.4418	4.3698
Zinc, E. St. L. Basis, lb	0.44-47	0.39
Palladium, oz	144-147	101-105
Silver N.Y., oz	5.665	6.096

Source: AP.

Dividends

Sept. 26

Company	Per	Amt	Pay	Rec
INITIAL				
Boston Edison Co	Q	.44 ½	11-3	10-10
Penn Traffic Co	Q	.17	10-27	10-14
USUAL				
American Ship Bldg	Q	.20	10-23	10-9
Cascade Nat'l Gas	Q	.32	11-15	10-15
Comprehensive Care	Q	.09	11-21	10-31
Godfrey Co	Q	.13	11-1	10-15
Great Western Svgs	Q	.12	10-10	10-1
House of Fabrics	Q	.12	1-2	12-12
Hunt Manufacturing	Q	.09 ½	10-22	10-10
Mich Energy Resour	Q	.36	12-31	12-8
Technitrol Inc	Q	.09 ½	10-23	10-7

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Itoh, Merrill Discussing Telecommunications

Reuters

TOKYO — C. Itoh & Co. has been negotiating with Merrill Lynch & Co. about participating in a joint venture in international telecommunications, the Japanese trading company said Friday.

A spokesman said Itoh had been conducting a feasibility study of the business with Cable & Wireless PLC and General Motors Corp. in response to recent liberalization of Japan's telecommunication industry. Another group of trading houses and Matsushita Electric Industrial Co. set up a company, International Telecom Japan Inc., in July for a similar study.

Statistics Index

AMEX prices	P.18	Earnings reports	P.14
AMEX highs/lows	P.18	Euro-CP	P.19
NYSE prices	P.10	Gold markets	P.17
NYSE highs/lows	P.16	Interest rates	P.17
Canadian stocks	P.20	Market summary	P.10
Currency rates	P.17	Options	P.14
Commodities	P.14	OTC stock	P.19
Dividends	P.14	Other markets	P.20

Herald Tribune. INTERNATIONAL

BUSINESS/FINANCE

SATURDAY-SUNDAY, SEPTEMBER 27-28, 1986 **

Dow Edges Up 1.13; Story on Page 10

4 P.M. PRICES UP

ECONOMIC SCENE

Competing in the West: A Hard Lesson for the East

By LESTER C. THUROW

Los Angeles Times Service

LOS ANGELES — In the 1970s Eastern Europe thought it had discovered an option to Stalinesque development. Instead of forcing the consumption of its own citizens down to free resources for massive industrial investments, it would borrow funds from Western bankers. The funds would be used to import Western technologies and Western capital equipment.

If the new plants were combined with lower paid Eastern European workers, cheap products could be produced and then re-exported to the West to pay off the original bank loans.

The plan did not work. The 1980s were a period of slow economic growth in the West and Western countries were not eager to accept Eastern European goods. Much more importantly, the Eastern European countries were never able to get those imported factories working at a quality level where they could compete with European, American or Japanese goods. Western consumers were simply unwilling to buy low-quality goods, even if those goods were much cheaper than the better goods to which they had become accustomed.

Western quality levels were unattainable for a number of reasons.

Western quality levels were unattainable for a number of reasons. To know what foreign consumers want, one has to spend a lot of time on foreign economic intelligence. If Eastern European factory managers and salesmen were not allowed to visit the West in large numbers, they could not hope to know what Westerners wanted.

To sell in the U.S. market, for example, the Japanese have 100,000 Japanese businessmen permanently stationed in the United States. Yet the governments of Eastern Europe were reluctant to let anyone out of Eastern Europe for fear they would not return.

With endemic consumer shortages, producers of consumer goods in Eastern Europe were also used to producing in an environment where anything that could be made, no matter what the quality, could be sold. Once such a mind-set is in place it is very difficult to dislodge.

QUALITY products are also not just a function of having the right technology. No matter how good the equipment, a poorly organized, unmotivated work force cannot produce high-quality products. Dissatisfaction with one's human condition ends up hurting economic performance even in a dictatorship. People can be forced to work but they cannot be forced to be good workers.

As a result of its inability to export, Eastern Europe could not earn the foreign exchange necessary to repay its debts and today it is in roughly the same position as Latin America. Poland has defaulted on its loans in all but name, and no one knows how some of the other countries, such as Yugoslavia, are going to repay their debts.

Romania is repaying its debts by returning to Stalinesque techniques and forcing its citizens to endure large reductions in their already meager standard of living, but the rest of Eastern Europe is not anxious to follow the Romanian example.

Hungary has tried to escape from this dilemma by pioneering Communist bloc efforts to re-introduce some market principles back into their centrally planned economies. As the Chinese are now discovering as they follow the Hungarians, however, the problems are many.

When some sectors of the economy are "marketized" and others remain planned, the income distribution gets twisted in unfamiliar ways. The Budapest taxi driver who has become an independent entrepreneur makes more than the corporate executives who remain state employees. Farm incomes rise above urban incomes when farmers are allowed to respond to market incentives and industrial workers are not.

Nothing is intrinsically wrong with such inversions of tradi-

See EAST BLOC, Page 19

Currency Rates

Cross Rates *Sept. 26*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.332	3.379	112.05 *	34.495 *	0.1635 *	—	5.452 *	139.39 *	140.78 y
Brussels(a)	42.39	60.83	20.735	6.3085	2.999 *	18.3465	—	25.6185	27.485 *
Frankfurt	2.0458	2.933	—	30.53 *	1.446 x	88.465 *	4.826 *	123.42 *	1.324 *
London (b)	1.4375	—	2.9480	9.6365	2,034.50	3.325	60.97	2.3868	222.84
Milan	1,411.40	2,030.00	691.45	211.08	—	611.70	33.364	854.20	9.161
New York(c)	—	0.6961 #	2.033	6.7255	1,419.50	2.3195	42.855	1.6668	154.65
Paris	6.614	9.608	3.276	—	4.737 x	2.90	15.804 *	4.045	4.3305 *
Tokyo	154.70	221.28	75.54	22.88	10.94 *	66.84	365.83 *	93.36	—
Zurich	1.6593	2.3795	81.085 *	24.78 *	0.1173 *	71.725 *	3.917 *	—	1.0761 *
1 ECU	1.0294	0.7067	2.0931	6.8553	1,446.97	2.3456	43.3882	1.6982	157.912
1 SDR	1.20761	0.84078	2.44509	8.08374	1,708.87	2.792	51.1906	1.998	186.626

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (#) To buy one pound: $U.S.1.4365

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	1.05	Fin. markka	4.945	Mex. peso	755.00	Soviet ruble	0.6771
Austral. $	1.5947	Greek drac.	136.30	Norw. krone	7.41	Span. peseta	134.75
Austr. schil.	14.41	Hong Kong $	7.802	Phil. peso	20.25	Swed. krona	6.9425
Belg. fin. fr.	42.64	Indian rupee	12.77	Port. escudo	147.00	Taiwan $	36.74
Brazil cruz.	13.77	Indo. rupiah	1,630.00	Saudi riyal	3.7507	Thai baht	26.395
Canadian $	1.3895	Irish £	0.7457	Sing. $	2.172	Turkish lira	668.40
Chinese yuan	3.7147	Israeli shek.	1.486	S. Afr. rand	2.2221	UAE dirham	3.6727
Danish krone	7.7125	Kuwaiti dinar	0.2929	S. Kor. won	874.20	Venez. boliv.	20.38
Egypt. pound	1.35	Malay. ring.	2.6265				

Sterling: 1.0722 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Goskank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *Sept. 26*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	5 15/16-6 1/16	4 1/2-4 5/8	4-4 1/8	10-10 1/8	7 3/4-8 1/4	7 1/4-7 3/8	6 1/16
2 months	5 15/16-6 1/16	4 1/2-4 5/8	4 1/8-4 1/4	10 1/8-10 1/4	7 3/4-8 1/4	7 1/4-7 3/8	6 1/16
3 months	5 15/16-6 1/16	4 1/2-4 5/8	4 1/16-4 3/16	10 5/16-10 7/16	7 3/4-8 1/4	7 1/4-7 3/8	6 1/16
6 months	5 15/16-6 1/16	4 1/2-4 5/8	4 1/16-4 3/16	10 7/16-10 9/16	7 3/4-8	7 5/16-7 7/16	6 1/16
1 year	6 1/16-6 3/16	4 9/16-4 11/16	4 1/16-4 3/16	10 7/8-11	7 3/4-7 7/8	7 5/16-7 7/16	6 1/8

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *Sept. 26*

	Close	Prev.
United States		
Discount Rate	5 1/2	5 1/2
Prime Rate	7 1/2	7 1/2
Broker Loan Rate	6 3/4-7	6 3/4-7
Federal Funds	5 7/8	5 7/8
Com Paper 30-179 days	5.52	5.52
3-month Treasury Bills	5.21	5.20
6-month Treasury Bills	5.26	5.34
3-month CD's	5.40	5.40
6-month CD's	5.45	5.45
Japan		
Discount Rate	3 1/2	3 1/2
Call Money	4 3/4	4 3/4
3-month Interbank	4 13/16	4 13/16
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.35	4.45
1-month Interbank	4.40	4.40
3-month Interbank	4.40	4.40
6-month Interbank	4.40	4.45
Britain		
Bank Base Rate	10	10
Call Money	9 1/2	9
3-month Interbank	10 3/4	10 5/8
3-month Treasury Bill	10 3/8	9 15/16
France		
Intervention Rate	7	7
Call Money	7 1/4	7 1/4
1-month Interbank	7 1/4	7 1/4
3-month Interbank	7 1/4	7 1/4
6-month Interbank	7 1/4	7 1/4

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits *Sept. 26*

1 month	6-6 1/8
2 months	n.a.-n.a.
3 months	5 15/16-6 1/16
6 months	5 15/16-6 1/16
1 year	6 1/16-6 3/16

Source: Reuters.

U.S. Money Market Funds *Sept. 26*

Merrill Lynch Ready Assets 30 day average yield: 5.09

Telerate Interest Rate Index: 5.642

Source: Merrill Lynch, Telerate.

Gold

	A.M.	P.M.	Ch'ge
Hong Kong	432.63	435.50	+4.50
Luxembourg	435.50	—	+4.50
Paris (12.5 kilo)	436.38	437.33	+1.78
Zurich	437.00	433.25	+2.75
London	434.80	433.80	+3.60
New York	—	437.80	—7.10

Sept. 26

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Funding By IDA Increased

World Bank Aid At $12 Billion

By Hobart Rowen

Washington Post Service

WASHINGTON — World Bank officials have announced that subsidized funds for the poorest Third World countries for the next three years will be raised to at least $12 billion, an increase of about 14 percent from the $10.5 billion provided in the current three-year period.

The U.S. share of these funds — distributed through the International Development Association, a World Bank affiliate — would increase from $750 million a year to $958 million a year.

Experts on congressional appropriations committees have expressed doubt that the Gramm-Rudman-Hollings balanced-budget law would allow the U.S. target to be met. Even this year's $750 million appears to be in jeopardy, they said.

But Moeen Qureshi, World Bank vice president and chairman of the IDA negotiations, expressed optimism on Thursday that the full amount would be obtained, noting that "the United States has always delivered on its commitments," despite some delays in the past.

Part of the extra IDA funds will come through an arrangement with Japan, which will increase its investment and voting power in the World Bank.

Under an agreement reached Thursday, IDA funds will be lent to poor nations without interest charges. The length of the loans has been reduced from 50 years to 40 years for the poorest countries and to 35 years for others. As before, a service charge of 0.75 percent will be levied.

The reduction in the term of the loans was sharply debated at a series of meetings among deputy finance ministers of 34 donor nations. They agreed, on the theory that it would bring back the money sooner so it could be lent again.

Mr. Qureshi said representatives of the donor countries made a commitment of $11.5 billion to what is known as IDA-8, the eighth replenishment of the funds since the IDA program began. An additional $500 million or more will be raised by extra contributions from Japan, Italy and the Netherlands, in exchange for larger voting shares for those countries in the World Bank.

The reshuffling of shares will allow Japan to further strengthen its second-place position in the World Bank behind the United States. Japan offered to raise its IDA contribution by $350 million, to $2.5 billion, in exchange for a 1.5-percent increase in its shares, which equates to voting power in the World Bank.

Japan now has 5.1 percent of the World Bank shares, marginally more than West Germany.

To make the shares available to Japan, the United States agreed to release some of its 20 percent, which now gives it veto power in the World Bank. The bank board has agreed to amend its articles of incorporation to lower the veto threshold to 15 percent.

The change in the articles requires approval by parliamentary bodies.

An early breakfast in the firm's dining room, then to work for Phillips & Drew traders.

Paul Hosefros/The New York Times

City's New Traders: Young, Cheeky

By Steve Lohr

New York Times Service

LONDON — Last month, the London brokerage house Phillips & Drew began offering its employees a double-edged benefit: breakfast.

The meal, served from 7 to 8:10 A.M., provides not only sustenance, but also a none-too-subtle reminder to everyone at the firm when work starts these days.

"It's a good proper English breakfast — eggs, bacon, sausages, mushrooms, the works," Paul Neild, a managing director of Phillips & Drew, said. "Besides, we start at 8 A.M. now."

An early start and a faster pace have become the order of the day, as London's brokers and banks plunge into a more competitive world of freewheeling markets. By now, the 12-hour day and the working weekend are familiar to many, while the wine-drenched, two-hour lunch has given way to the sandwich at the desk.

In return for the Wall Street-like pace, bankers and brokers are beginning to pull down salaries that, while not quite up to the standards across the Atlantic, are nevertheless staggering by London's.

London's Big Bang

A New Era in Finance

Third in a series of articles to appear periodically in coming weeks.

And it is a new breed of broker making $300,000 a year in London: a breed that many British find, well, disconcerting. The new, hot traders are likely to be thirtyish, a bit cheeky and more interested in piling up commissions than meeting club cronies for a late afternoon brandy at Boodle's or White's.

All this change is a byproduct of the government's market-opening drive that will culminate on Oct. 27 with a burst of deregulation, known as the "Big Bang."

Already, the London Stock Exchange has been opened to foreign banks and brokers. And on Oct. 27, fixed commissions on domestic securities transactions will be eliminated, allowing the kind of cutthroat price competition Wall Street has known for 11 years since fixed charges were dropped. In addition, the Big Bang will throw the domestic securities business open to all kinds of institutions.

This huge dose of free-market policy is bringing sweeping changes in the structure, style and sociology of the City of Lon-

See BANG, Page 19

Nigerian Naira Devalued 66% At New Auction

By Giles Elgood

Reuters

LAGOS — The Nigerian currency, the naira, was effectively devalued by two-thirds Friday at a government-sponsored foreign-exchange auction.

The new auctions, to be held weekly, are aimed at creating a second-tier foreign-exchange rate that the government says would be used to finance all imports. Officials hope that the weaker naira will spur economic growth by making imports prohibitively expensive.

Nigeria's economy, black Africa's biggest, has been hard hit by lower world prices for oil, from which it derives more than 90 percent of its export earnings.

Central bank officials said the average successful bid submitted by banks at Friday's auction was 4.6174 naira to the dollar, compared with Thursday's official exchange rate of 1.5535. Using the International Monetary Fund's trade-weighted method of calculating currency changes, the devaluation works out to 66.36 percent.

Bankers said the auction, conducted under a system of closed bids, went more smoothly than many had expected.

The lowest bid was 5.1250 naira to the dollar, the highest 2.500 and the marginal rate, the bid at which most of the $50 million being offered was sold, was 4.1958.

The average rate of 4.6174 will now apply to all foreign-exchange dealings until a second auction next Thursday, central bank officials said. Since the average is near the rate prevailing in the black market, they hope the new system will curb illegal currency dealing.

Some bankers criticized the use of an average rate, contending that it could cause banks to bid low in the knowledge that they would pay less than they bid when the average was worked out.

A merchant banker said this could lead to an artificially steep devaluation in the naira, and that banks should pay what they bid.

The new system has been introduced at a crucial time in Nigerian discussions with its foreign creditors, who have called for a lower value for the naira as a condition for debt rescheduling.

Nigeria, which has a total foreign debt of about $12 billion, is seeking a $450-million World Bank loan to help finance the currency market. In the meantime, a group of central banks are discussing a bridging loan to tide it over until the World Bank loan is approved.

Nigeria has been attempting to win a rescheduling of its foreign debt, but its creditor banks say they want matching concessions from the so-called Paris Club of creditor governments.

London bankers say a Paris Club accord depends on Nigeria making economic adjustments.

A senior central bank official said Friday that the auction system was not necessarily permanent.

"If there is a need to modify the system, we will examine it," he said.

The IMF has been pressing Nigeria for some time to devalue the naira, but the government of Major General Ibrahim Babangida has resisted such a move. A senior government official refused Friday to describe the new auction system as a devaluation.

Fiat's International Offering Breaks New Ground

By Fred R. Bleakley

New York Times Service

NEW YORK — When the Agnelli family and an investment bank underwriting syndicate bought back Libya's stake in Fiat SpA, the Italian automaker, for $3.15 billion this week, they set in motion a securities offering that breaks new ground in the emergence of a global market for corporate equities.

The Agnelli family, which is the leading shareholder in Fiat, will retain about one-third of the stake, but the remaining two-thirds will be resold to investors. That offering is the largest secondary placement ever undertaken in the fast-growing Euroequities market, where stock in companies is sold outside their home countries.

In an intricate and novel distribution plan, leading underwriters from all major money centers of the world are now reaching investors to wrap up placement of the $2.1 billion worth of securities by Tuesday.

"This is yet another step in the internationalization of the stock markets," said Jacques P. Gelardin, chairman of Shearson Lehman Brothers International, which committed $100 million as part of an underwriting syndicate led by Deutsche Bank Capital Markets Ltd., the London-based arm of the giant West German bank.

Members of the Deutsche Bank group include major banks and investment houses from Switzerland, France, the Middle East, Japan, Italy and the United States.

The sale of equities to all parts of the world is important for companies because it generates additional interest that helps raise the price of the stock and makes it less expensive to raise capital.

Putting together such a high-powered syndicate for such an unusual offering was made all the more difficult by the conditions that Libya and the Agnelli family placed on the original sale.

Underwriters were not able to test the market for interest in the shares before bidding, for instance. That was because one of the conditions imposed on underwriters, according to a statement issued by Fiat, was absolute secrecy until the conclusion of the negotiations, with the threat that otherwise there would be no agreement.

The transaction also is unique in that, for the first time, the Euroequities offered are denominated in dollars rather than their home currency.

Libya has insisted on payment in dollars and Fiat told underwriters that it did not want to cause foreign-exchange problems in Italy.

The Fiat securities are a combination of ordinary shares and related preferred and savings shares, all of which are traded on the Milan Stock Exchange. Mr. Altenburg said that to insure that the price of Fiat securities in Italy would not be beaten down by eventual sales of the securities now being offered, Deutsche Bank and three members of its group would make a separate dollar-denominated market in the shares in London.

Of the $2.1 billion underwriting, Deutsche Bank committed $600 million, and 10 co-managers committed $100 million each. A second contingent of Italian underwriters, led by Mediobanca, underwrote the remaining $500 million.

Libya Says Fiat Sale Was Just a 'Good Deal'

The Associated Press

ROME — Libya sold its shares in Fiat SpA because it was good business and not because of political or financial pressures, according to the Libyan ambassador to Italy.

Ambassador Abdel Rahman Shalgam said Thursday that Libya had initiated the $3-billion sale Tuesday of its 15.19-percent holdings in Fiat. The Libyan Arab Investment Co. bought the stake in 1977 for $400 million.

"The time was right," Mr. Shalgam said at the Libyan People's Bureau, or embassy, at a reception marking the recent 17th anniversary of the coup that brought Colonel Moammar Gadhafi to power.

"We concluded a normal financial deal, an affair without any political significance," he said. "We chose the best time to sell, when the dollar was at its lowest.

"It was simply a good deal."

Mr. Shalgam said Libya would use the money for new investments, "perhaps in Italy, or more likely in other countries like the Netherlands, Bahrain or Switzerland."

The ambassador denied that Libya had sold its Fiat shares because of financial problems from the collapse of oil prices.

"Three billion dollars does not resolve the problems of a country," Mr. Shalgam said. "We sell a million barrels of oil a day, which is our OPEC quota. And this quota suits us well."

The sale to Deutsche Bank AG, Mediobanca SpA and Instituto Finanziario Industriale, which is the Fiat holding company, was widely applauded in Italian political and business circles. Libya's interest in Fiat had been regarded as a political embarrassment and a deterrent to Fiat participation in research projects for the U.S. Strategic Defense Initiative.

Economic analysts suggested that Libya, whose oil revenues have dropped from a 1980 high of $22 billion to a projected $5 billion this year, needed the cash.

They said Libya may have feared that the Fiat shares would be frozen in Italy. Other Libyan assets in Italy were frozen recently as "guarantees" for Italian companies seeking millions of dollars in back payments from Libya.

Output in Japan Plunges 2.4%; Retail Prices Fall

Reuters

TOKYO — Industrial production in Japan fell 2.4 percent in August from July, the Ministry of International Trade and Industry said Friday in a preliminary report.

Industrial production had fallen 0.2 percent in July. The preliminary August index fell 2.7 percent from a year earlier, after a 1.5-percent yearly decline in July.

The sharp 2.4-percent drop in overall industrial production for August was the largest since a 2.8-percent decline in October 1982. The ministry said the decline was the result of lower production in all sectors except paper and pulp, reflecting a slowdown in exports caused by the yen's appreciation against the dollar and by summer holidays.

In a separate report, the Management and Coordination Agency said Friday that August consumer prices, unadjusted, fell 0.2 percent from July. Prices had fallen 0.3 percent in July.

Compared with August 1985, the price index rose 0.1 percent, after a 0.1-percent increase in July. The agency said last month that it had changed the base year for consumer statistics to 1985 from 1980.

Bertelsmann in Bid for Doubleday

Compiled by Our Staff From Dispatches

GUETERSLOH, West Germany — Bertelsmann AG, the giant West German publishing, television and records company, said Friday that it had agreed to acquire Doubleday & Co., one of the largest U.S. book publishers.

Under terms of the agreement, which had been expected, Bertelsmann will acquire most Doubleday operations for $475 million plus contingent payments from the liquidation of certain assets.

The accord does not include the New York Mets baseball team, which is 95-percent owned by Doubleday. Nelson Doubleday Jr. and some partners reportedly plan to buy the team.

The transaction still requires approval from Bertelsmann directors, Doubleday shareholders and the U.S. Justice Department.

The Doubleday acquisition would make Bertelsmann, a privately owned company that publishes the prestigious news magazine Der Spiegel, the second largest book seller in the United States after Simon & Schuster Inc., analysts said. Doubleday is also privately held.

The purchase would raise Bertelsmann's U.S. revenue from about $750 million to about $1.25 billion, a company spokesman said.

Bertelsmann has annual revenue of about 7.5 billion Deutsche marks, or $3.75 billion.

Bertelsmann said it would buy Doubleday's hardcover book publishing operations, its Dell-Delacorte paperback and hardcover division, and a book club division that includes several specialized and general book-club units.

Also included in the sale were Doubleday's printing facilities, as well as schoolbooks and retail operations.

Bertelsmann already owns the Bantam Books paperback publishing company and several other large U.S. interests. It recently acquired RCA Corp.'s record business in a bid to become a major participant in the U.S. records and music video market.

A major U.S. acquisition by Bertelsmann had been expected for some time. The company's managing board chairman, Mark Wössner, said last year that he wanted to expand in the United States because anticartel regulations in Germany made it unlikely that Bertelsmann would be able to make a suitably large acquisition at home.

According to The New York Times, Mr. Doubleday and Fred Wilpon, president of the Mets club, would retain control of the Mets by purchasing the National League baseball team from Doubleday.

The Mets, champions of the league's eastern division, are believed to be worth close to $100 million. *(AP, Reuters)*

India Removes Curbs on Output

Reuters

NEW DELHI — The Industry Ministry said Friday that it had removed production limits on Indian companies and foreign firms operating in India provided that all additional output is exported.

"The government has decided to allow industrial undertakings to freely produce in excess of their licensed or registered capacity if 100 percent of the additional production is exported," the ministry said.

The move is the latest of several aimed at narrowing India's burgeoning trade deficits. The main beneficiaries will be large Indian trading houses and foreign-owned companies.

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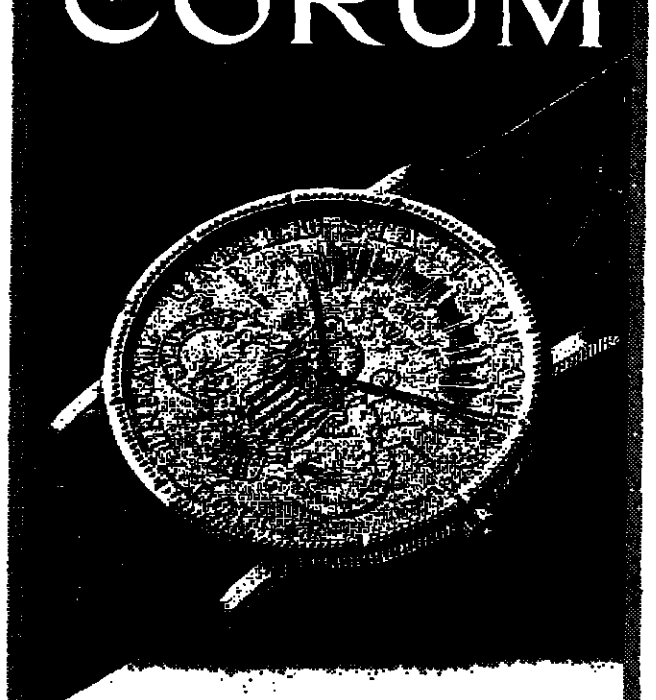

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BUSINESS ROUNDUP

Quaker Enters Bidding For Anderson, Clayton

The Associated Press

NEW YORK — Quaker Oats Co. said Friday that it was prepared to buy Anderson, Clayton & Co. for at least $64 a share.

Quaker's proposal, disclosed in a filing with the U.S. Securities and Exchange Commission, came while Ralston Purina Co.'s directors were meeting to decide whether to pursue an earlier bid for Anderson, Clayton.

Ralston's management said previously that it planned to offer $62 a share, or $756 million, for Anderson Clayton, a Houston food producer.

[Quaker said later Friday that it would be willing to pay at least $65 a share, Reuters reported from New York.]

The emergence of Quaker as a rival suitor sent Anderson, Clayton's stock soaring to nearly $70 a share Friday.

Anderson, Clayton's stock jumped $4.50 a share to close at $70 Friday on the New York Stock Exchange, after rising $2.25 a share on Thursday.

Ralston's stock was up 25 cents a share on the NYSE to $63.125 Friday, and Quaker rose $1 a share to $73.

Ralston is the biggest U.S. producer of pet foods, and Quaker is also is a leading maker of pet foods.

The object of both companies' interest is Gaines Foods Inc., Anderson, Clayton's pet food subsidiary, which would help either company gain a bigger share of the $5.4-billion U.S. market for pet foods.

Quaker announced late Thursday that it had bought 2.87 million shares, or 23.4 percent, of Anderson, Clayton's 12.2 million common shares outstanding.

In its SEC filing, Quaker said it had bought the shares for $64 each. At $64 a share, it would cost Quaker about $597.1 million to buy the remaining stock.

Quaker's offer to buy the company was included in a letter to Anderson, Clayton's president, W. Fenton Guinee Jr., that was part of the SEC filing.

Ron Bottrell, a spokesman for Clayton, declined to say whether the company would pursue a hostile tender offer for Anderson, Clayton's should the negotiations fail.

Ron Penoyer, a spokesman for Ralston, declined comment on what actions his company was considering.

Quaker made a first pass at Gaines earlier this year by joining two investment firms, Bear Stearns & Co. and Gruss & Co., in their hostile bid to buy Anderson, Clayton.

Under their agreement, Quaker was to buy Gaines for $250 million from the firms if they succeeded in their $56-a-share offer for Anderson, Clayton, or $682 million.

But on Wednesday, the Bear, Stearns-Gruss group dropped its bid, leaving Quaker to pursue Anderson, Clayton on its own.

If Ralston acquired Anderson, Clayton its share of the $5.4-billion U.S. pet-food market would climb to about 34 percent from 27 percent, according to figures published last month in the trade magazine Advertising Age.

Quaker also has an incentive to acquire Gaines. Their marriage would lift Quaker's share of the market in pet foods to 14 percent, making it second behind Ralston.

Elf Suspension To End Oct. 1

Reuters

PARIS — Trading in shares of the oil group Elf Aquitaine on the Paris Bourse, which was suspended Thursday morning, will resume Oct. 1, the stockbrokers' association said Friday.

Trading was suspended before a Finance Ministry announcement of the conditions for the sale of Elf shares to the public. The shares closed Wednesday at 339 francs.

The government plans to reduce its stake in Elf to just over 50 percent from 64.4 percent by selling about 11 percent of Elf's shares at 305 francs ($45.50) each and by an increase in Elf's capital through a bond issue.

Elders Net Profit Increases 69.7% to Annual Record

Reuters

ADELAIDE, Australia — Elders IXL Ltd. reported Friday that net profit rose 69.7 percent in the past financial year to a record 181.41 million Australian dollars ($113.4 million).

The company also announced a one-for-three bonus share issue.

Elders said equity-accounted net earnings for the year ended June 30, on a per-share basis, came to 54 cents, up from 34 cents in the previous year. Net profit for the 1984-85 fiscal year was 106.9 million dollars.

The subsidiary Carlton & United Breweries Ltd. was the largest single contributor to the group's net for the 1985-86 year, Elders said.

The unit accounted for 80.51 million dollars, up from 64.96 million the previous year, of the group's pretax and pre-preference dividend earnings of 236.85 million dollars. That figure compared with 133.45 million in 1984-85.

The finance group raised pretax profit to 35.69 million dollars from 25.95 million.

But the agricultural group's pretax earnings dropped to 16.52 million dollars from 30.03 million. The group was hit by high interest rates, and by falls in farm incomes and commodity prices, Elders said.

The international group's profit, although improved, was below expectations, partly because of the continuation of depressed commodity trading conditions, Elders said.

However, the second half saw an improvement in trading results from wool, meat, malt, dairy products and the industrial agency business. The division's pretax profit rose to 16.63 million dollars from 11.99 million.

Major contributions to the rise in the pretax profit from investments and other businesses to 26.38 million dollars from 5.73 million were equity shares in earnings of S.A. Brewing Holdings Ltd., Elders Resources Ltd. and Goodman Group Ltd., Elders said.

Net debt rose to 1.28 billion dollars at balance-date from 605 million a year earlier, but debt-to-equity ratio improved to 0.8-to-1 from 1.1-to-1 after a sharp increase in shareholders' equity.

Jardine Matheson Says Profit Rose 173% in Period

Reuters

HONG KONG — Jardine Matheson Holdings Ltd: reported Friday that net profit, buoyed by its marketing and land units, had risen 173 percent in the first half of the calendar year to 180 million Hong Kong dollars ($23.1 million).

Net for the Jan. 1-June 30 period in 1985 had been 66 million dollars.

The chairman, Simon Keswick, said Jardine Matheson expected steady growth in profit for the full year and for 1987. He said the company needed two more years to push profit to a level comparable with the peak in 1981.

Mr. Keswick attributed the gain in earnings to good performances by the marketing and distribution sector and by Jardine Matheson's 35-percent held subsidiary, Hongkong Land Co. He said another factor was that Jardine had abandoned the unprofitable ship-owning and oil-services businesses.

He said Jardine would pay more than 100 million dollars for its entitlement of shares in Dairy Farm International Ltd., to be spun off from Hongkong Land next month.

Jardine will finance the adopting of Dairy Farm shares with its operating revenues, he added.

BUSINESS PROFILE / Jacques Maisonrouge, Public Servant Now

Curbing Bureaucracy From Within

By Axel Krause

International Herald Tribune

PARIS — Jacques Maisonrouge, a former top executive at IBM, is taking over the number-two job in France's Industry Ministry with the avowed purpose of reducing its power over business.

Alain Madelin, the 38-year-old minister, said on Wednesday that the 62-year-old Mr. Maisonrouge had become director general of the ministry. He replaces Louis Gallois, who served under the former, Socialist government and has resigned.

Mr. Maisonrouge retired from IBM in 1984. At that time, he was a senior vice president, a member of the board and a member of the management committee of International Business Machines Corp., the first non-U.S. citizen to hold that post.

He then became vice chairman of the U.S. subsidiary of France's L'Air Liquide SA, the big maker of industrial gases, and held that job until this week.

Introducing Mr. Maisonrouge at a news conference, Mr. Madelin said the ministry intended from now on to serve business. It must, he said, "no longer orient, much less direct, the life of companies."

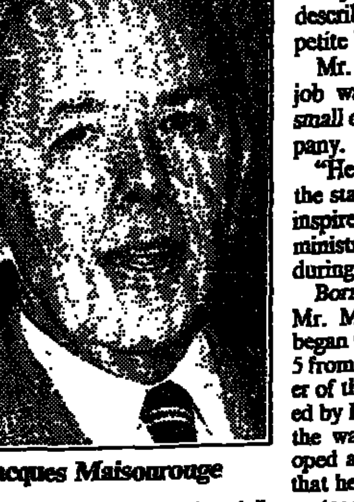
Since World War II, the ministry has played a determining role in a wide range of business decisions in France. It has approved investments, given permission for the importation of goods and services, and implemented environmental regulations, among other things.

The goal of the present conservative government is to gradually shift the power to make many of these decisions to the companies themselves. Mr. Madelin wants at the same time for the ministry to help companies, particularly small and medium-sized ones, to market their products in France and abroad.

On Wednesday, Mr. Madelin also said that as part of the streamlining, the five top jobs in the ministry were being eliminated. Many other jobs would be cut as well in the 6,000-employee ministry, officials said.

"Mr. Maisonrouge will be operationally important, but he is also the perfect symbol of what we hope to accomplish" in trimming the ministry's power, said Marc de Scitivaux, an adviser to Mr. Madelin.

The post of director general is



Jacques Maisonrouge

traditionally held by a senior civil servant, but a contractual arrangement has been made with Mr. Maisonrouge, Mr. de Scitivaux said.

The news of the appointment was greeted in French governmental and business circles with a mixture of enthusiasm and skepticism.

A former aide to Edith Cresson, Mr. Madelin's predecessor under the Socialists, described Mr. Maisonrouge as "a terrific salesman." But the aide said, "No one can crack the French bureaucracy, which after all has its merits."

Michel Charzat, a Socialist deputy, described the appointment as "insulting and worrisome." He said it would "enhance the growing power of the pro-American lobby" in France.

Mr. Maisonrouge, in an interview Thursday, complained good-naturedly that IBM was not, after all, his only former employer.

"For the past two years, I have been with Air Liquide, a French company," he said.

"I guess I will have to get used to this kind of thing," Mr. Maisonrouge said with a laugh, referring to the heavy coverage of his appointment by French newspapers, radio and television. "But I think I'm going to like the job, although I recognize it won't be like working for IBM."

Mr. Madelin proposed the job to Mr. Maisonrouge during a brief meeting at the ministry on Sept. 12.

Why did he take it? "My wife thinks I'm a bit crazy, and has wanted me to slow down, but it is a challenge. I couldn't refuse," said Mr. Maisonrouge, switching between fluent English and French.

In an autobiography published last year, he said that he would describe his family background as petite bourgeoisie.

Mr. Maisonrouge's father's last job was marketing director of a small clothing manufacturing company.

"He always told me that serving the state was a noble cause, which inspired my decision" to accept the ministry job, Mr. Maisonrouge said during the interview.

Born in Cachan, south of Paris, Mr. Maisonrouge recalls that he began to learn English at the age of 5 from a neighbor who was a teacher of the language. "I was fascinated by English, and in 1944, even as the war was continuing, I developed a taste for America," noting that he briefly worked as an interpreter for the U.S. Army just after the liberation of Paris.

Although he failed to achieve his goal of entering the prestigious Ecole Polytechnique, Mr. Maisonrouge was accepted at another important engineering school, Ecole Centrale des Arts et Manufactures. He graduated in 1948 and applied for a scholarship to pursue graduate studies at the Massachusetts Institute of Technology.

"But MIT was only proposing $2,500 a year, which wasn't much," he said. "I had just married, we had one child, and so I asked if I could accomplish the same goal by working for a company."

Instead, he took a job as an engineering trainee with IBM France — "the lowest-paying among any of my classmates."

Through a combination of his talents — a flare for the technical, salesmanship, teamwork, a willingness to work hard and travel — Mr. Maisonrouge rose through the ranks of IBM, spending 15 years away from France.

Among the questions crossing his mind on his last day at IBM in September 1984, was this one, he wrote: "What can I do to contribute to a change of mentalities in our country?"

The challenge of the new job at the ministry seemed the ideal answer. But Mr. Maisonrouge said that the reduction in salary and what he has been earning as a board member of leading U.S., French and British companies was "devouring" him financially.

COMPANY NOTES

BTR PLC has applied for listing on the Tokyo Stock Exchange with Daiwa Securities Co. as its agent. The London-based conglomerate will make a public offering of three million shares with payment due on Oct. 28. If its application is approved by Japan's Ministry of Finance, BTR would become the third British company listed on the exchange.

Gencorp Inc., the parent of RKO General, has indicated that it does not want to retain 13 broadcast stations that the U.S. Federal Communications Commission wants it to sell. RKO has been embroiled in litigation over its qualifications to hold broadcast licenses. Challengers have cited illegal campaign contributions and failure to disclose overseas payments.

Kleinwort Benson Ltd. of Britain and Crédit Commercial de France have been appointed advisers to the French government for the denationalization of Cie. de Saint-Gobain. Saint-Gobain, a glassmaker, has appointed its own advisers, Banque Nationale de France and Lazard Frères & Co.

Pharmacia AB of Sweden said it would establish a research center by the end of the year in La Jolla, California, to tap U.S. expertise in genetic engineering.

Swiss Reinsurance Co. said parent company net profit rose 18.1 percent in 1985 to 119.5 million Swiss francs ($71 million), from 101.2 million. Consolidated net profit rose 20.8 percent, to 145 million francs from 120 million. The company plans to increase the gross dividend per share to 120 francs from 115 francs.

Taubman Media Inc., the investment arm of A. Alfred Taubman, a Detroit entrepreneur, has agreed to sell back its investment in Pulitzer Publishing Co. to the Quesada family. Mr. Taubman has agreed to sell an option on 20.6 percent of the media company for more than $16 million. In January, he paid $10 million for the option to buy the stake at $100 million.

UAL Inc. said it would remove three businesses grouped under United Airlines and making them separate operating subsidiaries of the parent company at the end of the year. The separation of the businesses — Apollo Travel Services, MPI and United Vacations — was being made because the units no longer are involved solely in air travel, UAL said.

Wah Kwong Shipping group said two of its ships had been seized by creditors after Chase Manhattan Bank's seizure of two vessels earlier this month. It said Marine Midland Bank PLC had seized a multipurpose ship in Rotterdam and Bank of Montreal, a bulk carrier in Houston.

Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
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Recovery Forecast In U.K. Economy

United Press International

LONDON — An imminent recovery is expected in the British economy, after inadequate growth in recent months, the stockbrokers and analysts Phillips & Drew said in a forecast.

The report said export prospects were improving, noting that a slide in nonoil exports had been reversed in recent months. Further gains should follow a revival in world trade and a sharply more competitive exchange rate down 10 to 15 percent from last year, according to the forecast, released Thursday.

Consumer spending in Britain was exceeding expectations, the brokerage said. It revised upward its forecast of consumer spending growth for 1986 to 4 percent from 3 percent this year and projected a continuation at that rate in 1987.

However, recovery will be accompanied by more rapid inflation, Phillips & Drew said.

The stockbrokers said they expected a $3.75-billion current-account deficit for 1987. Current account is the broadest measure of trade performance.

Phillips & Drew said an increase in British base interest rates would be required to prevent an inflationary collapse in the value of the pound.

Japanese Group Reports Fall in Export Contracts

United Press International

TOKYO — Export contracts at Japan's leading trading companies dropped more than 30 percent in August, compared with last year, the worst year-to-year decline in eight years, the Japan Foreign Trade Council said Friday.

Council spokesmen attributed the decline to the effects of the appreciation of the yen, faltering steel exports and several seasonal factors.

The council, monitoring 13 major trading houses, said exports contracted in August totaled about $6 billion. It was the largest year-to-year fall since a 36.5-percent drop in August 1978, and was the seventh consecutive monthly decline.

Imports by the companies in August dropped by 40 percent compared with the year before, to about $6.8 billion. The council also reported that fuel imports by the 13 trading houses fell 23.1 percent last month to about $1.05 billion.

AMEX Highs-Lows

NEW HIGHS 6

Handyman, OhioArt Co, Hallwd wtA, UnitelVid, Hallwd wtB, NewbrtEl

NEW LOWS 12

Altexind n, IntrCtyGs g, PortoSys, BergenBrun, LorimarTel n, Ronsburg, CareEnt A, MSR Expl, TriangleHme, Inflight Svc, MarkCo, Wichitalnd

CURRENCY MARKETS

Dollar Rises Slightly Ahead of Talks

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed slightly higher Friday against most major currencies in light trading in New York. Market participants turned their attention to the meeting in Washington of top finance officials of key industrial countries.

The U.S. currency rose to 2.053 Deutsche marks at the close, from 2.0455 DM at the end of trading Thursday. The dollar was up a bit against the Japanese yen, to 154.65 yen from 154.60 on Thursday, and against the Swiss franc, to 1.6668 francs from 1.6578.

But it was off against the British pound, which closed at $1.4365 Friday after being at $1.4345 at Thursday's close.

Stuart Katz, a trader with Harris Bank in Chicago, said trading was "very light" as the market awaited word from the meeting of finance ministers and central bankers of the Group of Five nations — United States, Britain, France, Japan and West Germany.

He said, "In general, no one is looking to take a substantial position ahead of the G-5 meeting," which precedes the joint annual meeting of the International Monetary Fund and the World Bank.

Mr. Katz said the market was optimistic that some agreement could be reached among the United States, West Germany and Japan on a coordinated interest rate reduction, something Bonn and Tokyo have repeatedly resisted.

"People are looking for the dollar to go higher on rate cuts by Japan and West Germany," Mr. Katz said. "The prevailing opinion is that something can be worked out over the weekend."

But other market participants were more cautious. "After yesterday's Bundesbank announcement to leave policy unchanged, it's doubtful West Germany will change its mind," one dealer said.

Earlier in Europe, the dollar ended little changed.

In London, it closed at 2.0470 DM, slightly up on 2.0455 at Thursday's close. The dollar closed at 154.35 Japanese yen in London, down a bit from 154.55 Thursday. The pound rose a little to $1.4375, from $1.4345 at Thursday's close.

Most European dealers said that unlike last September, when the Group of Five decided to join in efforts to weaken the dollar, the new talks were unlikely to have a clear-cut outcome to set the markets on a new course.

Despite its marginal gain against the dollar, the pound was generally weak in thin trading Friday. At the close it equaled Thursday's record low of 68.7 on its trade-weighted index, but dealers said no Bank of England intervention was detected.

During the week, the pound lost more than 5 pfennigs and 4 U.S. cents amid repeated pound-buying by the Bank of England.

In Frankfurt, the dollar fell to 2.0413 DM at Friday's afternoon fixing, from 2.0489 on Thursday. In Paris, the U.S. currency was softer at the fixing, to 6.694 French francs from 6.711 Thursday. In Zurich, the dollar ended at 1.6593 Swiss francs, down from 1.6608.

(UPI, Reuters, AP, IHT)

London Dollar Rates

Closing	Fri.	Thu.
Deutsche mark	2.0470	2.0455
Pound sterling	1.4375	1.4345
Japanese yen	154.35	154.55
Swiss franc	1.6603	1.6608
French franc	6.7005	6.7025

Source: Reuters

EAST BLOC: *A Hard Lesson*

(Continued from first finance page)

tional salary arrangements, but that doesn't stop people from feeling that they are being unfairly treated. This leads some of the gains in the liberated sectors to be offset by losses in the unliberated sectors where workers are even less motivated than before.

Recently Hungarian industrial workers have been allowed to set up what are essentially "after hours" industrial cooperatives. Work eight hours for the state enterprise and you can then use state equipment after normal working hours to work for yourself.

Not surprisingly, this encourages workers to save their best energy for those after-hours production efforts. Creative energy tends to get withdrawn from the state enterprises.

Problems are further complicated by Stalin's belief that it was possible to create two world economies: one for the capitalistic economies and one for the socialistic economies. A socialistic trading bloc exists, but it is not isolated from the West. How do enterprises — state or private — plan and produce if they must sell at two different prices and two different markets?

Politically there is no choice but to trade with the Soviet Union and other Eastern bloc countries, but there is also no choice economically. The Soviet Union exports energy that Hungary needs. Yet producing Western-quality products for the Eastern bloc markets does not pay off, because Eastern prices are set at Eastern quality levels and no credit is given for better products.

In the East one is paid for quantity and not quality. Few Western companies, however, find that they can simultaneously produce high- and low-quality products. A focus on high quality cannot be turned on and off.

As Hungary is discovering, integrating market principles with central planning is not easy.

Lester C. Thurow is Gordon Y Billard Professor of Management and Economics at the Sloan School of Management at the Massachusetts Institute of Technology in Cambridge.

THE EUROMARKETS

Traders Keep Low Profiles While They Await G-5 News

By Christopher Pizzey
Reuters

LONDON — The Eurobond market ended little changed Friday, with volume remaining low as traders awaited word from the Group of Five finance ministers meeting Friday in Washington.

Traders hoped that an agreement would emerge from the meeting for a further round of coordinated interest-rate cuts. However, they were by no means certain that such a pact would materialize.

"It's certainly not worth going out and buying bonds in the hope of lower interest rates," a dollar-straight trader said.

The dollar-straight sector ended ⅛ or ¼ point lower, with the falls in U.S. Treasury securities Thursday night making for a dull day's trading, dealers said.

New-issue activity also slowed considerably, with only two dollar bonds being launched, the first an equity-warrants issue and the second a high-price/coupon issue.

Dollar straights totaling more than $1 billion were issued during the week, but dealers said much of the paper was unsold. A trader at a U.S. firm noted that the market had risen on the week, "but not by enough to justify the new-issue volume we've seen. Retail just aren't interested."

France's Cie. Générale d'Électricité launched a $100-million bond issue paying 9 percent over five years and priced at 104. The lead manager was Nomura International Ltd., and the issue did not trade actively.

The other dollar offering was a $70-million equity-warrant bond issue for Japan's Ebara Corp. The five-year issue has an indicated coupon of 3¾ percent and was priced at par. Yamaichi International (Europe) Ltd. was the lead manager.

The day's other issue was a 75-million-Canadian-dollar bond for Montreal Urban Community. It pays 10¼ percent over 10 years and was priced at 101¼.

BANG: *In City of London, East-End Accents Now Vie With Cultured Drawls*

(Continued from first finance page)

don, the square-mile (2.58-square-kilometer) financial district. Beyond the City, it is the cutting edge of a broad effort by the government of Prime Minister Margaret Thatcher to make the British economy more competitive and change attitudes toward business.

Britain has long deprecated business as "mere trade" and scorned the entrepreneur as somehow second rate. The model of success remains the country gentleman. Many outsiders would agree with Siegmund Warburg, a Hamburg refugee who became a leading London banker. He once said, "Britain's blood pressure isn't high enough."

For decades, the London securities industry amounted to a handful of neatly — and profitably — divided cartels, with brokers, traders, merchant banks and commercial banks each given a separate franchise. Now, all these barriers are being sundered, replacing gentleman's rules with a free-for-all.

It used to be said that the way to identify a partner in a British brokerage or merchant bank was that he arrived at work carrying a copy of The London Standard, an afternoon daily that hits newsstands just before 11 A.M. No longer.

At the merchant bank Kleinwort Benson Ltd., work begins at 8:30 A.M. "Five years ago, people here would have been quite surprised by that," noted Robin T. Fox, the vice chairman. "And 10 years ago, no one would have believed it."

Given the longer hours, the English ideal of living well out of town in a country estate has become a burden. "With the days starting earlier and ending later, I've had to get accommodations in London this year," said Lord Camoys, chief executive of Barclays de Zoete Wedd, the new merchant bank and securities arm of Barclays Bank.

Still more striking is the change in the makeup of the City, where the divisions of background and class used to be clear.

At one end were the merchant bankers, whose world was based on Eton, Oxford, Cambridge and St. James private clubs. It was an exclusive fraternity, determined largely by family and social connections. One merchant banker noted that his firm had an unspoken rule on nepotism: You could bring one son into the firm, but the second had to make it in on merit.

At the opposite end of the social scale were the traders, with their East End accents, their working-class lineage and schooling, and an aggressiveness that the upper-class merchant bankers found unseemly.

But the old order is being turned upside down. With more competition, profit will depend not on fixed commissions but on an ability to trade nimbly and read market movements.

"In these markets, it's the street-wise guys who do the best," said Christopher H. Maytum, head of fixed-income trading for County NatWest Capital Markets Ltd., the merchant banking arm of National Westminster Bank PLC.

Suddenly, it is the sharp traders who are being offered six-figure salaries. When John Hutchinson decided last year to leave Wedd Durlacher Mordaunt & Co., where he was chief trader in British treasury securities called gilts, he was flooded with job offers. The 39-year-old chose Merrill Lynch Europe Ltd., where he will head its new gilt-trading unit.

Today, talent and performance often determine success, not breeding or connections. Like many of his new colleagues, Mr. Hutchinson is a graduate of a grammar school, the equivalent of a U.S. high school. "With the restrictions dropped, there just wasn't enough trading talent to go around," Mr. Hutchinson explained. "That's why the recruiting, compensation and everything else for people with those skills just went 'pow.'"

Mr. Neild of Phillips & Drew is another example. Educated at the University of Liverpool and Manchester University, he rose to become the City's top-rated economist. Now, the blunt-spoken 40-year-old is directing the Big Bang strategy for Phillips & Drew, which has become a subsidiary of Union Bank of Switzerland.

"The aristocracy is in decline in the City, and the cloth-cap professionals are in the ascent," he said. "And we will take over."

With established firms moving into unfamiliar businesses, young people are advancing. David Lough, 36-year-old chief executive of County NatWest Capital Markets, noted: "The position I have now didn't exist a few years ago."

The impact of the new wealth is already evident in London. "Money is the new club," the Spectator declared earlier this year. The conservative weekly defined the club as young, mostly aged 26 to 34, and earning the equivalent of $110,000 a year. "Perhaps there are only a couple of thousand," the magazine said, "but they are so mobile and noisy that they give the impression of being far more numerous."

But the high salaries in the City have also attracted criticism. Partly, this concern reflects the traditional attitude that, put bluntly, it is acceptable to have considerable wealth, but far less acceptable to earn a lot of money. Writing about the City earlier this year, Roy Jenkins of the Social Democratic Party quoted Stanley Baldwin, three times a Conservative prime minister, who once said, "A man who made a million quick ought not to be in the House of Lords, but in jail." Mr. Jenkins, a former chancellor of the Exchequer, concluded, "A touch of this spirit would not do any harm in the City today."

A deeper worry is that the new City wealth will increase polarization and resentment in a society where 13 percent of the work force is unemployed, where, by American standards, social mobility has been limited and where wealth has long been seen more as a symbol of privilege than of initiative.

"People here will become increasingly disturbed by one group gaining extraordinary wealth for creating nothing, for simply turning over money," said Charles John Constable, director general of British Institute of Management. "British attitudes are quite different from those in America."

The different social and political context raises questions as to whether the post-May Day experience on Wall Street will be a reliable guide for London. Since 1975, the profits of member firms on the New York Stock Exchange rose from $415 million to $2.1 billion last year. Employment in the securities industry rose from 67,000 to 129,000.

Euro-Commercial Paper

Sept. 26

15-45 days

Issuer	Mat	Amt	Bid	Ask
royal insurance	10/10	25	4.16	4.11
secv	15/10	45	4.11	4.06
grand met	16/10	30	4.16	4.11
abs	16/10	10	4.11	4.06
skf	17/10	10	4.21	4.16
aro	20/10	35	4.32	4.27
pilkington	20/10	15	4.21	4.16
sweden	21/10	100	4.01	3.96
blue circle	21/10	50	4.21	4.16
alcoa	22/10	36	4.38	4.33
kkd	23/10	45	4.19	4.14
n. zealand forest pds	24/10	20	4.27	4.22
car finance	28/10	20	4.08	4.03
credit national	28/10	90	5.89	5.84
peugeot	29/10	30	4.71	4.66
car finance	30/10	15	4.08	4.03
adl	30/10	100	5.89	5.84
abs	30/10	10	3.99	3.94
royal insurance	31/10	25	4.03	3.98
fletcher challenge	31/10	20	4.13	4.08
comalco	5/11	30	4.19	4.14
blue circle	6/11	50	4.08	4.03
credit national	6/11	40	5.89	5.84
alfa laval	7/11	15	4.08	4.03
new zealand	7/11	100	5.96	5.91

46-75 days

Issuer	Mat	Amt	Bid	Ask
swb	12/11	50	5.96	5.91
united biscuits	22/11	90	4.08	4.03
adl	22/11	40	5.89	5.84
m corp	12/11	35	4.31	4.26
car finance	13/11	10	4.08	4.03
abs	17/11	10	5.99	5.94
comalco	18/11	40	4.19	4.14
alcoa	19/11	44	4.15	4.10
fletcher challenge	19/11	50	4.13	4.08
royal insurance	19/11	35	4.03	3.98
cra	21/11	25	4.08	4.03
boliden	21/11	5	4.08	4.03
kkd	21/11	45	4.06	4.01
blue circle	28/11	50	4.08	4.03
cra	28/11	10	4.08	4.03
credit national	28/11	95	5.89	5.84
sweden	28/11	100	5.89	5.84
grand met	28/11	25	4.03	3.98
new zealand	28/11	100	5.96	5.91
car finance	28/11	10	4.08	4.03
aro	28/11	42	4.19	4.14
abs	28/11	20	5.99	5.94
car finance	28/11	20	4.08	4.03
statoil	1/12	80	5.89	5.84
national mutual	1/12	20	4.03	5.98
m corp	3/12	25	4.51	4.46
alcoa	4/12	24	4.15	4.10
comalco	4/12	30	4.19	4.14
kingdom of sweden	10/12	50	5.89	5.84

76-105 days

Issuer	Mat	Amt	Bid	Ask
arizona public services	11/12	25	4.19	4.14
credit national	11/12	75	5.89	5.84
car finance	11/12	10	4.08	4.03
royal insurance	12/12	30	4.03	5.98
abs	16/12	10	5.99	5.94
alcoa	17/12	40	4.15	4.10
blue circle	18/12	50	4.08	4.03
comalco	18/12	20	4.19	4.14
molson	18/12	20	4.08	4.03
texas eastern	19/12	75	4.08	4.03
car finance	22/12	15	4.08	4.03
aro	22/12	40	4.19	4.14
citizens + southern	29/12	40	4.19	4.14
alcoa	29/12	40	4.15	4.10

106-135 days

Issuer	Mat	Amt	Bid	Ask
grand met	23/1/87	20	4.03	5.98
sweden	6/2/87	50	5.89	5.84

136-165 days

Issuer	Mat	Amt	Bid	Ask
texas eastern	13/2/87	25	4.08	4.03
car finance	17/2/87	15	4.08	4.03

166-183 days

Issuer	Mat	Amt	Bid	Ask
kingdom of sweden	10/3/87	50	5.95	5.90
car finance	11/3/87	10	4.14	4.09
texas eastern	13/3/87	50	4.14	4.09
republic of portugal	1/4/87	50	4.17	4.12

Source: Credit Suisse-First Boston Ltd., London

Friday's OTC Prices

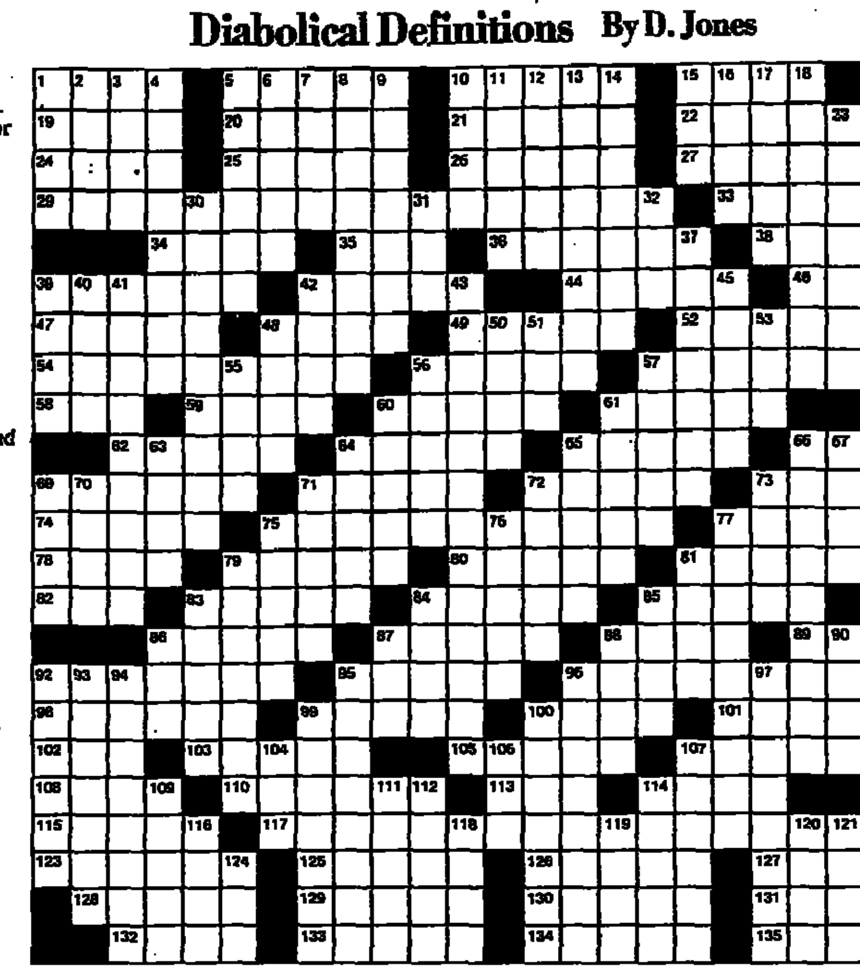
NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	Sales in 100s	High	Low	3 P.M.	Net Ch'ge
[illegible]									

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-residence tax. i — dividend declared after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.

Diabolical Definitions By D. Jones



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ACROSS

1 Noah's eldest
5 Reynolds and Bacharach
10 Deride
15 Secured by oblique nailing
19 Byron work
20 "Every man will be — . . .": Thoreau
21 Kitchen device
22 Thrifty one
24 Org.
25 Magazine
26 A dryad
27 Introductory text
29 Start of a definition of 66 Down
33 Wrap
34 Captured, to Cowper
35 Mimic
36 Proven
38 Experts
39 What some maids watch
42 "... Mahagonny" is one
44 Asian capital
46 Squeal
47 Cinereous
48 Grating
49 Archetype
52 Broadway musical: 1972
54 Imperial
56 Ski lifts
57 Illegal voter
58 Paul Newman role: 1963
59 Freshwater duck
60 Borgnine role
61 Timorous
62 Lake Geneva spa
64 Where a Venus was found: 1820
65 Sneezer's need, for short
66 Geom. term
69 Deliverer
71 Code words for k's
72 Forty all
73 Ponder
74 Lily's relative
75 Definition: Part II
77 Sacred pictures
78 Lie at ease
79 Peregrine
80 French naval station
81 Hits hard
82 Fr. rebels in the 60's
83 Glens
84 Passageway
85 Shinbone
86 Marine polyp
87 TV backdrops
88 Carson predecessor
89 Singing syllable
92 Nightwear
95 Hear (of)
96 Public disorder
98 Foo yong, e.g.
99 Corpsman, for short
100 Normal resiliency
101 Mortar
102 Kareem, formerly
103 Coup —
105 Corundum
107 Inclines
108 Angers
110 Artificial fly
113 Orphan Annie's Oriental friend
114 Secular
115 Mah-jongg counters
117 End of definition
123 Small pastry
125 Optometric comb. form
126 Expunge
127 Othello's ensign
128 Vulcan's chimney
129 Spanish baby boys
130 Ball-bearing grooves
131 Mouthward
132 Ruin
133 City in SE Greece
134 Vigilant
135 Hue, also called boa

DOWN

1 Spline
2 Mixture
3 Old tongue
4 Dugongs' cousins
5 Sews loosely
6 Civil War general
7 Gambrel, e.g.
8 Freshwater turtle
9 Saturated
10 German admiral: 1861-1914
11 Brilliant unit
12 Emulate Crassus
13 Objects of irrational devotion
14 Altar covering
15 Recipe meas.
16 Rows
17 Broadway hit: 1979
18 Light farm wagon
23 Free
28 One at ease
30 Deep red
31 Through
32 O.T. book
37 Resembling a Basenji or Briard
39 Austrian physicist: 1838-1916
40 A son-in-law of Elon
41 "— Dictionary," source of definition
42 Nuncupative
43 Author of 41 Down
45 Ferric
46 Heart cherry
50 Food staple
51 Anhydrous
53 Fall to
55 Nurture
56 Ogee molding
57 Whigmaleerie
60 Stockholder's bonanza
61 Imperfection
63 Stringed instrument
64 Embogs
65 West German state
66 See 29 Across
67 Homager's relative
68 Heraldic bar
69 "Star Wars" captain
70 Puzzlers' favorite ox
71 Food for whales
72 Sworded affairs?
73 Year in the papacy of Paschal II
75 Athenians' homeland
76 Bean from Vt.
77 Confused misunderstanding
79 Charged with gas
81 Thailand, once
83 Cupolated
84 Turkish regiment
85 Docile
86 Golfer Peete
87 Ref. book
88 Tiny chorine
90 Gouge out
91 Some of the hymenopterans
92 Refined
93 Ernest Bloch symphony
94 Set with stones
95 Sign painter, at times
96 Communion cloth
97 The act of drawing
99 Deus ex —
100 Mosaic square
104 Londoner's dram
106 Frantic
107 Most sound
109 Former treaty org.
111 Due
112 Copland composition
114 Light amplifier
116 Chinese: Comb. form
118 Exterior of bark
119 Meet squarely
120 Mata —
121 Alike, in Arles
122 Tormented
124 Butter of a sort

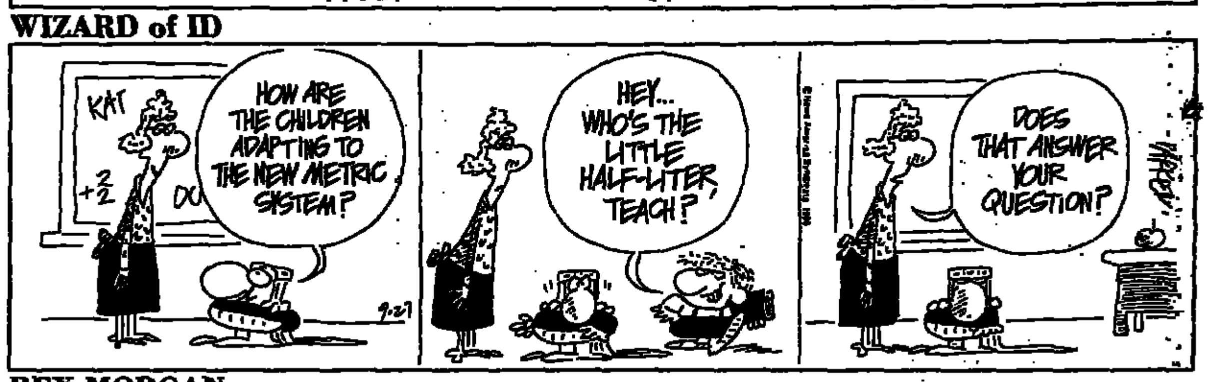
PEANUTS

BLONDIE

BEETLE BAILEY

ANDY CAPP

WIZARD of ID



REX MORGAN

GARFIELD

BOOKS

THE LOVER OF HORSES

By Tess Gallagher. 184 pages. $16.95. Harper & Row Publishers Inc., 10 East 53d Street, New York, N. Y. 10022.

Reviewed by Michiko Kakutani

As a poet, Tess Gallagher has written movingly of damaged relationships, misplaced selves and the losses incurred by time and death. Those same themes surface in her first collection of fiction. Gallagher is a strict, highly disciplined writer, and the tensile quality of her prose often reinforces the sense of danger — emotional, spiritual and physical — that lingers over these stories. Reading them, one begins to fear that something will happen (a drunken fight will erupt, a crackpot will fire his Smith and Wesson, a boyfriend will abscond with his former wife), or even worse, that nothing will occur, leaving the characters to stew, alone, in their disconsolation.

In many of these stories a particular incident sets off a crisis or provokes some kind of reassessment on the part of Gallagher's characters. A series of unsettling visits from a panhandling drunk reminds a woman that her husband is a recovering alcoholic, that their placid, suburban life could crack apart in a moment ("King Death"). An extended vigil with her drunken father — who is on an extraordinary gambling streak — leads a young girl to embrace a darker strain of passion in her family's heritage, to avow her kinship with that "disreputable world of dancers and drunkards, gamblers and lovers of horses to which I most surely belonged" ("The Lover of Horses"). An encounter with two childhood friends — his next-door neighbor and her crippled sister — causes a man to mourn his lost youth ("Recourse"). The loss of a pair of glasses makes a young girl feel that she has misplaced her uniqueness and her pride.

There is something slightly surreal about these stories (men talk to horses, a woman sets fire to her estranged husband's house), as well as a reliance on extended metaphor, and these qualities tend to undermine Gallagher's tightly controlled writing style, turning the stories into solemn, spindly fables.

Happily, Gallagher is considerably more successful with the naturalistic stories, in which the emotional drama remains grounded in — and derives power from — a welter of details, set down in a flat, deadpan prose: the glint of sun on the tiny zippers of a powder-blue snow parka, the alignment of a couple's shoes beneath their dresser.

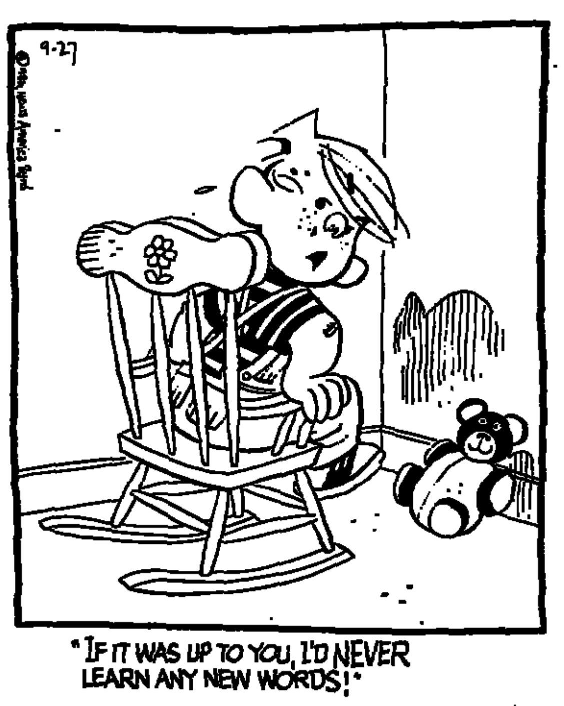
Loneliness and a sense of peril ripple through these stories, affecting even those characters who, for all practical purposes, have found mates and built pleasant domestic nests. Such security strikes them as provisional and unearned — a random accident of fate rather than the product of character and will. The heroine of "Bad Company" visits her husband's grave and muses that she might have just as easily married a man whose ashes lie nearby, a disreputable fellow who died alone in a fleabag hotel. And the narrator of "The Woman Who Saved Jesse James" recalls a bedridden woman she once helped nurse and realizes that she could easily end up in a similar state.

This fear of abandonment and death makes Gallagher's characters long for reassurement from friends and even estranged partners — they want to be remembered, and remembered well. In "Girls," for instance, an aging widow desperately tries to extract a glimmer of recognition from a girlhood chum who has spotty amnesia after a stroke. "She was determined to discover some moment when her image would suddenly appear before Esther from that lost time. Only then could they be together again as the friends they had once been, and that was what she had come for." But while she manages to summon up memories of shared adventures and former pals, the much yearned-for moment of remembrance never comes.

It is an uncompromising portrait of aging and loss, but one that holds out the tentative promise of grace — the two women may never recover a shared past, but they may learn to cherish the new friendship they have invented. This story demonstrates Gallagher's fluency in moving from poetry to prose, and hints at her mastery of the short-story form.

Michiko Kakutani is on the staff of The New York Times.

DENNIS THE MENACE



"IF IT WAS UP TO YOU, I'D NEVER LEARN ANY NEW WORDS!"

Solution to Last Week's Puzzle

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	27	81	16	61	fr
Amsterdam	16	61	4	39	cl
Athens	29	84	17	63	fr
Barcelona	23	73	16	61	cl
Belgrade	16	61	8	46	r
Berlin	13	55	6	43	r
Brussels	15	59	3	37	cl
Bucharest	20	68	12	54	cl
Budapest	18	64	6	43	cl
Copenhagen	13	55	3	37	fr
Costa Del Sol	—	—	—	—	cl
Dublin	14	57	9	48	r
Edinburgh	12	54	7	45	o
Florence	22	72	13	55	cl
Frankfurt	17	63	5	41	fr
Geneva	16	61	13	55	o
Helsinki	8	46	−2	28	fr
Istanbul	25	77	12	54	fr
Las Palmas	25	77	22	72	cl
Lisbon	24	75	16	61	fr
London	17	63	6	43	o
Madrid	19	66	10	50	cl
Milan	21	70	14	57	cl
Moscow	7	45	0	32	o
Munich	16	61	4	39	fr
Nice	24	75	17	63	cl
Oslo	12	54	0	32	fr
Paris	18	64	8	46	cl
Prague	16	61	1	34	fr
Reykjavik	12	54	10	50	r
Rome	24	75	16	61	cl
Stockholm	8	46	−1	30	cl
Strasbourg	16	61	6	43	fr
Venice	20	68	14	57	cl
Vienna	15	59	8	46	cl
Warsaw	13	55	0	32	o
Zurich	15	59	10	50	cl

MIDDLE EAST	HIGH C	HIGH F	LOW C	LOW F	
Ankara	25	77	9	48	st
Beirut	—	—	—	—	na
Damascus	35	95	16	61	fr
Jerusalem	30	86	20	68	fr
Tel Aviv	33	91	22	72	fr

OCEANIA	HIGH C	HIGH F	LOW C	LOW F	
Auckland	15	59	7	45	fr
Sydney	28	82	16	61	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	23	73	o
Beijing	26	79	14	57	cl
Hong Kong	30	86	25	77	cl
Manila	34	93	24	75	cl
New Delhi	25	77	21	70	cl
Seoul	26	79	13	55	fr
Shanghai	28	82	17	63	fr
Singapore	31	88	24	75	cl
Taipei	28	82	22	72	fr
Tokyo	26	79	17	63	o

AFRICA	HIGH C	HIGH F	LOW C	LOW F	
Algiers	29	84	19	66	cl
Cairo	34	93	23	73	fr
Cape Town	17	63	5	41	fr
Casablanca	24	75	15	59	fr
Harare	30	86	17	63	fr
Lagos	28	82	25	77	o
Nairobi	28	82	9	48	fr
Tunis	26	79	19	66	cl

LATIN AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	—	—	11	52	fr
Caracas	27	81	19	66	cl
Lima	21	70	14	57	o
Mexico City	26	79	9	48	cl
Rio de Janeiro	—	—	—	—	na

NORTH AMERICA	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	10	50	−5	23	fr
Atlanta	32	90	21	70	fr
Boston	21	70	14	57	cl
Chicago	31	88	20	68	fr
Denver	20	68	6	43	pc
Detroit	30	86	19	66	pc
Honolulu	31	88	25	77	pc
Houston	33	91	24	75	pc
Los Angeles	25	77	14	57	fr
Miami	32	90	25	77	pc
Minneapolis	27	81	18	64	fr
Montreal	18	64	8	46	fr
Nassau	32	90	22	72	pc
New York	27	81	17	63	pc
San Francisco	21	70	14	57	pc
Seattle	15	59	9	48	r
Toronto	20	68	10	50	cl
Washington	32	90	21	70	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

SATURDAY'S FORECAST — CHANNEL: Slightly choppy. FRANKFURT: Fair. Temp. 18—5 (64—41). LONDON: Cloudy. Temp. 17—8 (63—46). MADRID: Partly cloudy. Temp. 20—11 (68—52). NEW YORK: Cloudy. Temp. 26—19 (79—66). PARIS: Foggy early, fair later. Temp. 19—8 (66—46). ROME: Cloudy. Temp. 23—14 (73—57). TEL AVIV: Not available. ZURICH: Fair. Temp. 16—6 (61—43). BANGKOK: Stormy. Temp. 33—24 (91—75). HONG KONG: Fair. Temp. 31—26 (88—79). MANILA: Stormy. Temp. 33—24 (91—75). SEOUL: Showers. Temp. 25—13 (77—55). SINGAPORE: Stormy. Temp. 30—25 (86—77). TOKYO: Foggy. Temp. 26—18 (79—64).

World Stock Markets

Via Agence France-Presse Sept. 26

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	548	554.50
ACF Holding	60.70	62.30
Aegon	96	99.50
Akzo	146.50	149
Ahold	94.50	94.50
Amev	77	77.50
A'Dam Rubber	10.80	10.80
Amro Bank	95.40	95.20
BVG	95.50	95.20
Buehrmann T	203	202
Caland Hldg	17.40	17.80
Elsevier-NDU	222.50	223
Fokker	61.60	62
Gist Brocades	47.60	48.70
Heineken	173	176
Hoogovens	59.70	59.70
KLM	44.40	45.50
Naarden	90	90
Nat Neder	81.90	82.50
Nedlloyd	174	176.20
NMB	214.50	219.50
Oce Vander G	533	541
Pakhoed	61	61.50
Philips	52.90	53.40
Robeco	92.20	92.90
Rodamco	136	135.90
Rolinco	82.90	83
Rorento	50.10	50.10
Royal Dutch	202.30	205.50
Unilever	481	489.50
Van Ommeren	36.10	37
VMF Stork	28.80	29.80
VNU	322	322

ANP.CBS Gen'l Index : 279.50
Previous : 285.00

Brussels

	Close	Prev.
Arbed	2205	2205
Bekaert	10600	N.Q.
Cockerill	152	159
Cobepa	4625	4795
EBES	4710	4705
GB-Inno-BM	8240	8410
GBL	3570	3600
Soc Generale	3070	3100
Gevaert	6340	6330
Hoboken	7790	7800
Intercom	3790	3715
Kredietbank	16925	16975
Petrofina	9190	9200
Sofina	11375	11450
Solvay	7850	7900
Traction Elec	6230	6270
UCB	8700	8750
Unerg	2775	2805
Vieille Montagne	6000	6110

Current Stock Index : 3876.55
Previous : 3904.34

Frankfurt

	Close	Prev.
AEG	309	312.80
Allianz Vers	2295	2315
Altana	408	410
BASF	274.10	279.50
Bayer	294	295.20
Bay. Hypo bank	574	580
Bay Vereinsbank	524	532
BBC	308	308
BHF-Bank	499	513
BMW	612	616
Commerzbank	313.50	320
Conti Gummi	321.50	322.40
Daimler-Benz	1244	1256
Degussa	490	495
Deutsche Babcock	195	196.50
Deutsche Bank	787	800
Dresdner Bank	408	414.50
Harpener	293	305
Henkel	431.50	438
Hochtief	1025	1075
Hoechst	260	265.50
Hoesch	138	144
Horten	222.70	223.00
Hussel	579	595
IWKA	285	286
Kali + Salz	290	293
Karstadt	435	436
Kaufhof	497.50	503
Kloeckner HD	211	218.90
Kloeckner Werke	74	75.10
Krupp Stahl	134	134
Linde	797	785
Lufthansa	185	189
MAN	239	244.80
Mannesmann	167.80	174.50
Muench Rueck	2710	2800
Nixdorf	786	705
PKI	998	990
Porsche	1020	1031
Preussag	209	211.50
PWA	230	236
RWE	202.50	204
Rheinmetall	395	405
Schering	613	616
SEL	442.50	427
Siemens	679.50	685
Thyssen	145	148
Veba	283	285
Volkswagenwerk	475.50	485.20
Wella	725	730

Commerzbank Index : 1985.10
Previous : 1995.20

Hong Kong

	Close	Prev.
Bk East Asia	19.30	19
Cathay Pacific	5.50	5.35
Cheung Kong	26.50	26.40
China Light	18	17.90
Green Island	8.55	8.65
Hang Seng Bank	33.75	33.25
Henderson	2.875	2.90
China Gas	14.80	14.90
HK Electric	10.40	10.60
HK Realty A	12	11.60
HK Hotels	35	34.75
HK Land	6.70	6.65
HK Shang Bank	7.10	7.05
HK Telephone	12.40	11.90
HK Yaumatei	3.45	3.45
HK Wharf	7.80	7.65
Hutch Whampoa	35.75	35.75
Hysan	0.76	0.77
Jardine	16.90	16.80
Jardine Sec	15.40	15.30
Kowloon Motor	10.20	9.90
Miramar Hotel	3.65	3.625
New World	7.90	7.75
SHK Props	14.80	14.40
Stelux	1.84	1.82
Swire Pacific A	14.60	14.50
Tai Cheung	2.425	2.425
Wing On Co	1.62	1.63
Winsor	7.70	7.70
World Int'l	2.85	2.85

Hang Seng Index : 2034.36
Previous : 2011.70

Johannesburg

	Close	Prev.
AECI	1450	1425
Anglo American	6550	6750
Anglo Am Gold	33800	36050
Barlows	2075	2100
Blyvoor	2400	2400
Buffels	10000	10000
De Beers	2300	2275
Driefontein	6950	7100
Fregold	5200	5575
GFSA	5850	6100
Harmony	5200	5325
Hiveld Steel	585	575
Kloof	3550	3675
Nedbank	550	560
Rusplat	5100	5200
SA Brews	1580	1500
St Helena	5900	5950
Sasol	800	805
Welkom	3625	3690

Composite Stock Index : N.A.
Previous : 1985.00

London

	Close	Prev.
AA Corp	$15½	$15½
Allied-Lyons	300	295
Anglo Am Gold	576	$77½
Ass Brit Foods	304	308
Asda-MFI Gp	150	152
Barclays	469	479
Bass	695	715
B.A.T.	446	448
Beecham	390	395
Blue Circle	563	551
BOC Group	315	315
Boots	216	217
Bowater Indus	313	316
BP	658	670
Brit Telecom	184	184
Brit Aerospace	435	430
Britoil	113	116
BTR	283	293
Burmah	352	356
Cable Wireless	284	294
Cadbury Schw	174	175
Charter Cons	266	270
Commercial U	276	277
Cons Gold	572	564
Cookson Group	458	463
Courtaulds	285	282
Dalgety	273	278
De Beers	740	740
Driefontein	$16⅝	$16¾
Fisons	563	568
Free St Ged	$12⅜	$13⅛
GEC	162	164
Gen Accident	802	804
GKN	244	254
Glaxo	935	940
Grand Met	401	406
GRE	772	777
Guinness	316	328
GUS	14⅛	14¼
Hanson	181	186
Hawker	447	455
ICI	10⅜	10 27/32
Jaguar	510	515
Land Securities	309	314
Legal General	233	231
Lloyds Bank	424	439
Lonrho	213	214
Lucas	490	485
Marks and Sp	192	194
Metal Box	163	163
Midland Bank	547	562
Nat West Bank	524	537
P and O	521	521
Pilkington	423	423
Plessey	164	166
Prudential	802	809
Racal Elect	162	164
Randfontein	$101½	$103½
Rank	484	494
Reed Int'l	278	275
Reuters	485	488
Royal Dutch £	40 51/64	41 51/64
Rover	29	28
RTZ	627	639
Saatchi	585	605
Sainsbury	404	406
Sears Holdings	111½	112
Shell	898	913
STC	138	142
Std Chartered	699	700
Storehouse	308	310
Sun Alliance	642	669
Tate and Lyle	593	600
Tesco	393	400
Thorn EMI	454	461
T.I. Group	420	427
Trafalgar Hse	271	277
THF	147	148
Ultramar	141	141
Unilever £	17 51/64	17 51/64
United Biscuits	222	223
Vickers	393	403
War Loan 3½ £	34⅛	35½
Woolworth	615	620

F.T.30 Index : 1238.40
Previous : 1262.30
F.T.S.E.100 Index : 1563.70
Previous : 1576.60

Milan

	Close	Prev.
Banca Comm	26400	26600
Cigahotels	4400	4430
CIR	8250	8250
Cred Ital	3422	3452
Eridania	4750	4780
Formitalia	12900	13170
Fiat	15490	15800
Generali	115800	112900
IFI	30650	30900
Italcementi	80200	79400
Italgas	2815	2800
Italmobiliari	132200	129500
Mediobanca	258600	259200
Montedison	3483	3585
NBA	3830	3850
Olivetti	14800	16831
Pirelli	5130	5120
RAS	57500	57600
Rinascente	1024	1046
SIP	3500	3480
SME	2370	2250
Snia	5160	5180
Standa	11750	12200
Stet	5050	5006

MIB Current Index : 1780
Previous : 1712

Paris

	Close	Prev.
Air Liquide	749	740
Alsthom Atl.	335	340.50
Av Dassault	1270	1271
Bancaire	1184	1208
BIC	604	606
Bongrain	2140	2137
Bouygues	1387	1380
BSN-GD	4200	4215
Carrefour	3390	3395
Chargeurs	1326	1336
Club Med	583	585
Darty	3840	3840
Dumez	1787	1780
Elf-Aquitaine	N.Q.	N.Q.
Europe 1	919	920
Gen Eaux	1365	1378
Hachette	2610	2687
Lafarge Cop	1385	1396
Legrand	4600	4650
Lesieur	1180	1190
l'Oreal	3565	3617
Martell	1370	1385
Matra	2300	2325
Merlin	3040	3070
Michelin	3030	3065
Moet Hennessy	2195	2200
Moulinex	73.10	73
Occidentale	1022	1054
Pernod Ric	990	995
Perrier	810	805
Peugeot	1142	1150
Printemps	549	558
Radiotechn	903	920
Redoute	2071	2110
Roussel Uclaf	1490	1529
Sanofi	730	729
Skis Rossignol	1220	1225
Telemecan	2865	2895
Thomson CSF	1600	1610
Total	443	442

CAC Index : 386.40
Previous : 389.30

Singapore

	Close	Prev.
Cerebos	3.60	3.60
Cold Storage	N.Q.	3.88
DBS	7.95	7.95
Fraser Neave	8.05	8.05
Haw Par	3.82	3.98
Hume	1.95	1.95
Inchcape	2.24	2.27
Lum Chang	0.94	0.87
Malayan Banking	3.84	3.88
OCBC	7.95	8
OUB	3.02	3
OUE	2.40	2.43
Shangri-la	3.52	3.50
Sime Darby	1.58	1.55
S'pore Airlines	7.65	7.40
S'pore Land	4.96	4.94
S'pore Press	8.10	8.15
S Steamship	1.64	1.63
St Trading	3.30	3.30
UOB	3.96	3.90
United Overseas	1.41	1.42

Straits Times Ind Index : 831.44
Previous : 828.81

Stockholm

	Close	Prev.
AGA	186	187
Alfa Laval	315	N.Q.
Asea	343	345
Astra	500	495
Atlas Copco	220	224
Beijer	169	169
Boliden	213	208
Electrolux	297	299
Ericsson	233	234
Esselte	130	135
Fermenta	114	115
Handelsbanken	425	N.Q.
Pharmacia	190	191
Saab-Scania	715	720
Sandvik	156	158
Skanska	188	189
SKF	340	342
SwedishMatch	420	N.Q.
Volvo	369	371

Affaersvaerlden Index : 718.20
Previous : 704.40

Sydney

	Close	Prev.
ACI	3.72	3.70
ANZ	5.18	5.20
BHP	8.10	8.10
Boral	3.75	3.78
Bougainville	3.15	3.15
Coles Myer	4.85	4.82
Comalco	2.45	2.48
CRA	7.10	7.06
CSR	2.81	2.78
Dunlop	3.36	3.36
Elders Ixl	4.75	4.65
ICI Australia	2.48	2.48
Magellan	1.48	1.55
MIM	2.30	2.32
Nat Aust Bank	5.26	5.22
News Corp	29	28.40
N Broken Hill	2.30	2.30
Poseidon	3.65	3.80
Old Coal Trust	1.72	1.71
Santos	3.98	3.80
Thomas Nation	3.08	3.08
Western Mining	4.40	4.40
Westpac Banking	4.55	4.56
Woodside	0.96	0.98

All Ordinaries Index : 1257.80
Previous : 1258.50

Tokyo

	Close	Prev.
Akai	363	371
Asahi Chemical	819	830
Asahi Glass	1220	1240
Bank of Tokyo	878	897
Bridgestone	620	647
Canon	945	961
Casio	1300	1280
C.Itoh	390	359
Dai Nippon Print	1600	1650
Daiwa House	1640	1640
Daiwa Securities	2230	2090
Fanuc	5280	6450
Fuji Bank	1700	1720
Fuji Photo	2980	2930
Fujitsu	913	930
Hitachi	1020	988
Hitachi Cable	1100	1060
Honda	1210	1270
Japan Air Lines	9310	9800
Kajima	1430	1340
Kansai Power	3750	3480
Kawasaki Steel	275	253
Kirin Brewery	1490	1400
Komatsu	504	527
Kubota	410	435
Kyocera	3900	4030
Matsu Elec Inds	1670	1640
Matsu Elec Works	1640	1580
Mitsubishi Bank	1440	1670
Mitsubishi Chem	700	725
Mitsubishi Elec	518	498
Mitsubishi Heavy	590	591
Mitsubishi Corp	1370	1300
Mitsui and Co	442	703
Mitsukoshi	1130	1170
Mitsumi	1180	1210
NEC	2230	2040
NGK Insulators	860	840
Nikko Sec	1060	1000
Nippon Kogaku	849	1000
Nippon Oil	990	980
Nippon Steel	229	223
Nippon Yusen	510	499
Nissan	580	580
Nomura Sec	3390	3150
Olympus	1000	1030
Pioneer	2820	2840
Ricoh	805	858
Sharp	950	969
Shimazu	990	1030
Shinetsu Chemical	1000	1050
Sony	3190	3250
Sumitomo Bank	2140	2830
Sumitomo Chem	384	390
Sumitomo Marine	895	1070
Sumitomo Metal	175	174
Taisei Corp	959	908
Taisho Marine	1000	1010
Takeda Chem	2100	2060
TDK	3480	3510
Teijin	695	710
Tokio Marine	1730	1680
Tokyo Elec. Power	7590	6480
Toppan Printing	1490	1530
Toray Ind	625	627
Toshiba	780	740
Toyota	1890	1930
Yamaichi Sec	1890	1710

Nikkei 225 : 17968.36
Previous : 17980.35
New Index : 1382.45
Previous : 1402.87

Zurich

	Close	Prev.
Adia	7400	7475
Alusuisse	482	610
Autophon	7800	7900
Bank Leu	3700	3775
Brown Boveri	1850	1590
Ciba Geigy	3500	3475
Credit Suisse	3600	3710
Electrowatt	3400	3400
Interdiscount	6450	6650
Jacob Suchard	7800	7800
Jelmoli	3425	3440
Landis Gyr	1820	1840
Moevenpick	6300	6400
Nestle	8250	8350
Oerlikon-B	1580	1560
Roche Baby	10750	11100
Sandoz	1690	1680
Schindler	3600	3650
Sulzer	546	560
Surveillance	4300	7500
Swissair	1340	1370
SBC	525	533
Swiss Reinsurance	3075	3075
Swiss Volksbank	2570	2590
Union Bank	5650	5725
Winterthur	6080	6400
Zurich Ins	3300	3350

SBC Index : 626.00
Previous : 633.20

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto Sept. 25

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
5500	Abti Prce	$24½	23⅞	24½	+ ¾
42405	Agnico E	$32⅞	32⅛	32⅜	− ⅜
100	Agra Ind A	$14¼	14¼	14¼	− ¼
4245	Alt Energy	$11⅞	11⅛	11⅛	− ⅛
27100	Alta Nat	$13⅜	13½	13½	+ ⅛
988	Algoma St	$13⅝	13⅜	13⅝	+ ⅛
26922	A Barick	$19⅞	19⅛	19⅜	
5280	Atco I f	$9	8⅞	8⅞	
30962	BCED	320	310	310	− 5
578	BP Canada	$33½	33	33½	+ ½
6464	Bank BC	275	265	265	− 5
110977	Bank N S	$16	15½	15⅝	
7600	Baton	$20½	20¼	20⅜	− ⅛
4667	Bonanza R	160	153	153	− 7
1558	Bralorne	143	142	143	+ 3
500	Bramalea	$21	20⅞	21	
39516	BCFP	$13	12½	13	+ ½
15025	BC Res	125	125	125	
9958	BC Phone	$27⅝	27⅜	27⅜	− ⅛
400	Brunswk	$13¾	13⅝	13⅝	+ ¼
1300	Budd Can	$41⅞	41¼	41⅞	+ ½
31825	CAE	$10½	10¼	10½	− ⅛
500	CCL A	$15⅝	15⅝	15⅝	− ⅜
58980	CCL B f	$16	15⅝	16	+ ¼
2100	Cad Frv	$30½	30⅛	30½	− ¼
4000	Campeau f	$27½	27⅛	27½	
1030	C Nor West	$15⅝	15⅝	15⅝	
3975	C Packrs	$15⅝	14¾	14¾	− 1
175	Con Trust	$48	48	48	
902	C Tung	$6⅞	6⅞	6⅞	− ¼
167085	CI Bk Com	$18⅛	17⅞	18	+ ¼
17439	CTire A f	$13⅝	13⅜	13⅝	+ ⅛
3080	C Util B	$19	19	19	+ ¼
6880	Cara	$9⅝	8⅞	8⅞	− ½
997	Celanese	$13⅞	13½	13⅝	− ¼
280	Celan 175 p	$23½	23	23	
13137	Cntrl Cap	$16⅝	16¼	16½	− ⅛
29410	Cineplex	$17⅞	17½	17⅝	− ¼
6000	C Distb A	$6⅝	6¼	6⅝	
4400	CDistb B f	$6⅝	6¼	6⅝	
9300	CTL Bank	$10⅜	10¼	10⅜	
626	Conwest A	$8⅝	8⅝	8⅝	+ ⅜
3011	Coseka R	85	83	85	− 4
1800	Costain A	$17	17	17	
4450	Crownx	$25½	25	25	− ¼
6780	Czar Res	145	140	140	
8234	Denison A p	$6	5⅞	6	− ⅛
4375	Denison B f	$6	5⅞	5⅞	− ⅛
5000	Develcon	430	400	430	+35
1600	Dickson A f	$10½	10	10⅛	− ⅜
19515	Dickson B	$10½	10⅛	10⅛	
8690	Dofasco	$23⅜	23¼	23¼	− ¼
21600	Donohue	$28	28	28	+ ½
59300	Dylex A	$15½	15	15	− ⅜
22400	Emco	$14⅝	14⅜	14⅝	
34400	Equity Svr	$7⅛	6⅞	7	− ¼
2850	FCA Intl	$19	19	19	+ ⅛
13920	C Falcon C	$16⅞	16½	16⅞	− ⅜
848536	Ficnbrdge	$19	18⅝	18⅝	− ⅜
63270	Fed Ind A	$17⅞	17⅞	17⅞	
400	Fed Pion	$30	30	30	
200	F City Fin	$13	13	13	
2214	Genstr A	$18	17⅞	18	
2231	Geac Comp	$5½	5⅛	5⅛	+ ⅛
36100	Gibraltar	$9⅝	9⅝	9⅝	
41740	Goldcorp f	$8⅞	8⅝	8⅞	
1800	Goodyear	$43	43	43	− 2
2015	GL Forest	$25½	25½	25½	+ ¼
1038	Grafind	$25½	25½	25½	+ ⅛
2854	Hayes D	$13¼	12⅞	13¼	+ ⅛
15400	Hees Intl	$31⅞	31½	31⅞	
22175	Hollinger	$25	24½	25	+1¼
1207	H Bay Co	$26⅛	26¼	26¼	− ¼
53357	Imasco	$31⅛	30⅞	30⅞	− ⅜
300	Indal	$14	14	14	− ¼
1100	Inglis	$20½	20¼	20¼	+ ¼
5600	Inland Gas	$13¼	13⅛	13¼	+ ⅛
31930	I Corona a	$24⅛	23⅞	24	− ⅛
64950	Intl Thom	$11½	11¼	11¼	− ¼
10023	Inter Pipe	$41⅞	40⅞	41⅞	
3375	Jannock	$26⅝	26¼	26⅜	
2080	Kerr Add	$16⅝	16½	16½	
41430	Labatt	$22⅞	22	22	− ¼
2700	Lacana	$10⅛	10⅛	10⅛	− ⅛
5845	L Ont Cem	$24⅝	22½	20⅞	− ⅜
2880	Loblaw Co	$11½	11¼	11½	
5750	Lumonics	$11⅛	11	11⅛	
21995	Magna A f	$29⅞	27⅝	29⅛	− ⅜
400	MDS H A	$16⅛	16⅛	16⅛	− ⅛
35900	MICC	$8½	8⅛	8⅛	− ⅛
103300	Mclan H X	$18⅝	18½	18½	
4344	Maritime f	$15⅝	15½	15⅝	+ ⅛
51725	Molson A f	$25	24⅝	25	− ¼
1260	Molson B	$26	25⅝	26	
40	Murphy	$19½	19½	19½	
865	Nabisco L	$37⅛	37	37	− ¼
237520	Noranda	$21	20⅝	20⅝	− ⅜
1586	Norcen	$14½	14⅜	14⅜	− ⅛
337070	Nva AltA f	$5⅛	5	5⅛	− ⅛
4100	Nowsco W	$12½	12	12	− ⅜
15971	NuWst gp A	24	24	24	
1107	Oakwood	230	230	230	
21280	Omnibus o	$5⅜	5⅛	5⅛	− ⅛
7344	Oshawa A f	$19	18⅞	18⅞	
12750	Pac W Airln	$18	17⅝	18	− ⅛
1800	Pamour	$12⅞	12	12	− ⅜
2325	PanCan P	$26	25⅝	26	
1000	Pembina	$14⅛	14⅛	14⅛	− ¼
75	Pine Point	$9½	9½	9½	− ¼
256545	Placer	$32⅜	31⅞	32	− ⅜
11800	Que Sturg o	$5½	5⅜	5½	
11980	Rayrock f	$7	6½	6⅞	+ ⅛
13300	Redpath	$24½	24	24½	− ⅛
227	Reed Sl 1 Sp	$50½	50½	50½	
2200	Rogers A	$20½	20⅜	20⅜	+ ⅛
3300	Roman	$10⅛	10⅛	10⅛	+ ½
235	Rothman	$40¼	40¼	40¼	+1¼
1500	Sceptre R	275	265	265	−10
8250	Scotts f	$11⅞	11⅛	11⅝	
45117	Sears Can	$11⅛	11⅛	11⅛	
22750	SHL Systm	$22⅛	21	21⅞	+ ⅛
500	Selkirk A f	$23⅞	23⅝	23⅝	− ⅛
45681	Shell Can	$23	22⅜	22⅜	− ¼
4745	Sherritt	$6⅝	6½	6⅝	
177200	Southam	$22⅛	21⅛	21⅜	− ½
4231	Spar Aero f	$24⅞	24½	24½	
26133	Stelco A	$21⅞	21½	21⅞	− ⅛
1010	Sulpetro	55	55	55	+ 5
200	Steep R	240	240	240	−10
500	Teck Cor A	$24⅞	24⅞	24⅞	− ⅛
84952	Teck B f	$25⅞	25⅜	25⅝	− ⅛
8108	Tex Can	$29¾	29	29	− ⅛
57700	Thom N A	$27⅞	27½	27⅝	− ⅛
178946	Tor Dm Bk	$23⅛	22⅝	22⅞	− ¼
65290	Torstar B f	$27⅞	26⅝	27	− 1
27	Traders A f	$44	44	44	− ½
700	Trns Mt	$14⅝	14½	14⅝	
300	Trinity Res	53	53	53	
15573	TrnAlta UA	$29	28⅝	28⅝	− ⅛
47342	TrCan PL	$17⅛	16⅝	16⅞	− ⅛
7560	Trimac	250	245	245	− 5
11150	Trilon A	$29⅜	29½	29⅜	− ⅛
300	Trizec A f	$28	28	28	
69620	Turbo	60	58	58	− 1
2500	Unicorp A f	$7⅝	7⅝	7⅝	
1958	U Entprise	$11⅝	11⅛	11⅛	− ⅛
1445	U Keno	$9⅝	9½	9½	− ⅛
3580	Versil A f	120	115	115	− 5
5700	Vestgron	80	75	75	− 5
27895	Wardair	$21⅞	20⅝	21⅛	+ ⅛
200	Weldwod	$20⅝	20⅝	20⅝	
3016	Westmin	$7⅝	7⅝	7⅝	+ ⅛
11372	Weston	$29	28⅝	28⅝	− ⅛
3455	Woodwd A	$5½	5⅜	5½	

Total sales 16,489,281 shares

TSE 300 Index: Close 2,989.50 Previous 3,017.30

Montreal Sept. 25

Sales	Stock	High	Low	Close	Chg.
46601	Bank Mont	$32⅝	32	32	− ⅜
378	BombrdrA	$26⅛	25⅞	26	+ ⅛
9045	BombrdrB	$26⅛	26⅛	26⅛	− ⅛
900	CB Pak	$21⅛	19⅞	20	− ½
112641	Cascades	$15½	14	14⅞	− ⅜
3380	CIL	$25½	25½	25½	− ⅛
38950	ConBath	$24⅝	24½	24½	− ⅛
609	DomTxtA	$17⅞	17½	17⅞	+ ⅛
13600	MntTrst	$12⅛	12	12⅛	+ ⅛
34354	NatBk Cda	$27⅛	26⅝	26⅞	− ⅜
11506	Noverco	$12⅞	12½	12⅞	
31670	Power Corp	$16⅛	15⅞	15⅞	− ⅛
5825	Provigo	$17⅞	17	17⅛	− ⅛
23450	RollandA	$15½	14⅞	15⅛	+ ⅜
280	RollandB	$15⅝	15⅝	15⅝	+ ⅜
27138	Royal Bank	$32⅛	31⅝	32	+ ¼
325	RoyTrstco	$38⅛	37⅝	37⅝	− ⅛
15545	SteinbrgA	$38⅛	38	38	− ¼

Total Sales 3,570,457 shares.

Industrials Index: Close 1,347.87 Previous 1,34[illegible]

SAFIRE
IN THE IHT EVERY MONDAY — IN DEFENCE OF THE ENGLISH LANGUAGE AND ITS PROPER USAGE

Vikes Have ...
'34' Defense Is Allow...
By Michael Janofsky
NFL Could Be ...
By Ed Sherer
SCOREBOARD
Baseball
Thursday's Line Scores
Major League Standings

هكذا من الأصل

هكذا من الأهرام

SPORTS

Vikes Have Own Numbers Game

'54' Defense Is Allowing Opponents Far Fewer Points

By Michael Janofsky
New York Times Service

NEW YORK — In an era of the "46" made famous by the Chicago Bears, fancy blitzing schemes and daring man-to-man coverages, here is a new defense to think about.

Floyd Peters, the defensive coordinator who has the Minnesota Vikings playing it, calls it the "54." And although it is not necessarily new in the conventional sense — "I've been using it since 1976," Peters said recently — it has had a new and rather startling effect on the Vikings: they are winning with it.

With a 2-1 record and the Green Bay Packers (0-3) as their opponents Sunday in Minneapolis, the Vikings are tied with the Los Angeles Rams for fewest points, 30, allowed in the National Football League. In the Vikings' case, the total also represents the lowest three-game total in six years.

Peters' 54 is a throwback of sorts. He has returned the Vikings to a four-man front and three linebackers on first downs, at a time when most NFL defenses use a first-down alignment of three linemen and four linebackers. As an added wrinkle, and this is Peters' trademark with the 54, his linemen shift slightly to the weak side — the side opposite the tight end — to line up with a tackle directly over the center and the weak-side defensive end split extra wide to create a clearer path for rushing the quarterback. The linebackers overshift to the tight end side.

"This does two things," Peters said. "It covers the center, making the offensive line contend with an odd front, and it makes the offense have to redesign their running schemes. You can't run the same way against a 4-3 you run against a 3-4."

The formation also has a third effect. By Peters' analyses, offenses are passing 50 percent of the time on first down. Although the 3-4 may give defenses an extra player in pass coverage, it does not always get enough pressure on the quarterback. "What I want is a loaded gun always aimed at the quarterback," Peters said.

The scheme has its weaknesses, of course. With a fourth lineman to rush the passer, one or both of the Vikings' cornerbacks, Issiac Holt and Carl Lee, will be in single coverage. That could be a problem against the Packers because James Lofton and Phillip Epps are fine receivers.

AMERICAN CONFERENCE

New York Jets (2-1) at Indianapolis Colts (0-3) — This could get ugly. The Colts are using a rookie quarterback, Jack Trudeau, who never got a hint that he would be starting this season until Miami finished Gary Hogeboom's season two weeks ago with a separated shoulder. The Jets still have the leaky secondary that gave up six touchdown passes to the Dolphins, but Trudeau is hardly Dan Marino.

Kansas City Chiefs (2-1) at Buffalo Bills (1-2) — Neither team is a powerhouse. The Chiefs are getting by on big plays by the offense and defensive touchdowns. The Bills, on the other hand, are getting used to Jim Kelly and, if his passing yardage is slowly mounting, his leadership qualities are already tops.

New England Patriots (2-1) at Denver Broncos (3-0) — The Broncos are currently the best team in the conference. In their last game, a 33-7 romp over Philadelphia, they showed an effective running game, something new for them. John Elway, who has yet to be intercepted, threw only 12 passes. The Patriots, meanwhile, gave up 24 points in the fourth quarter to lose to Seattle, wiping out Tony Eason's most productive game as a Patriot, 26 completions for 422 yards.

Pittsburgh Steelers (0-3) at Houston Oilers (1-2) — The Steelers lost to Minnesota last Sunday, 31-7, because of poor passing, poor running and not enough pressure on the quarterback. But they can beat the Oilers, because the Oilers have a way of losing games they should win.

San Diego Chargers (1-2) at Los Angeles Raiders (0-3) — A month ago, this looked like a terrific match. Now the Chargers have lost their last two, with Dan Fouts intercepted eight times, and the Raiders haven't scored a touchdown in nine quarters. Look for the Raiders to finally win, however, even though Marcus Allen likely will not play on his sprained ankle.

NATIONAL CONFERENCE

New Orleans Saints (1-2) at New York Giants (2-1) — The Giants last Sunday ran almost at will on the Raiders' fine defense and made two touchdowns stand up. The same is likely to happen to the Saints, a team that has trouble scoring under the best of circumstances, and these are hardly the best of circumstances. Two starters, quarterback Bobby Hebert and the left tackle Jim Dombroski, were lost for a month or so with foot injuries Sunday.

Atlanta Falcons (3-0) at Tampa Bay Buccaneers (1-2) — The Falcons are the surprise team of the early season, with David Archer at quarterback and a rambunctious young defense. The Buccaneers, meanwhile, changed Steves at quarterback, DeBerg to Young, and surprised the Lions last Sunday. But the Lions are not that good, and the Buccaneers are weak in too many areas to win this one.

Los Angeles Rams (3-0) at Philadelphia Eagles (0-3) — For all the pressure it puts on the quarterback, Buddy Ryan's "46" defense is supposed to be more of a run preventive. But in each of the Eagles' losses, an opposing runner has gained more than 100 yards. Now look at who this defense is facing: Eric Dickerson.

INTERCONFERENCE

Chicago Bears (3-0) at Cincinnati Bengals (2-1) — The Bears' somnambulant offense is due to get them into trouble, and Sunday could be the day. In the absence of their regular quarterback for two games, Jim McMahon, the Bears have been just getting by. They may need a better effort against the Bengals, whose quarterback, Boomer Esiason, has enough agility to avoid the big pass rush and enough receivers to worry the secondary.

Detroit Lions (1-2) at Cleveland Browns (1-2) — The Browns' Kevin Mack and Earnest Byner each ran for 1,000 yards last year. These days, however, Mack is slowed with an injury, Byner by inconsistency. Throw in a few quick scores by the other team, and it is easy to see why Bernie Kosar is passing so much.

San Francisco 49ers (2-1) at Miami Dolphins (1-2) — Wouldn't any offense like to get a crack at the Olphins (No D) right now? Not only have they given up at least 50 points twice in three games, they have lost their best defensive player, Hugh Green, with a fractured kneecap. Offensively, the Dolphins still are scoring points, And the 49ers start two rookies at the corners.

Seattle Seahawks (3-0) at Washington Redskins (3-0) — This has been a charmed season for both teams, give or take an injury. Each won big in its opener, then did just enough to win the next two. The Redskins would appear to have a slight advantage because their defense has played steadier against the run and the game is in Washington, where they seldom lose.

MONDAY NIGHT

Dallas Cowboys (2-1) at St. Louis Cardinals (0-3) — So far, the only sort of team that has bothered the Cowboys has been one with a well-balanced offense. That being the case, they should put away the Cardinals early. Although the defense has kept the Cardinals in two of their three games, the offense has been of no help.

NFL PREVIEW

Walt Fravcik/Reuters-UPI

Mike Scott received a champagne blessing from the Astros' manager, Hal Lanier, after pitching the no-hitter.

Floyd's Last-Hole Birdie Gets U.S. Past Canada

The Associated Press

ST. ANDREW'S, Scotland — Ray Floyd sank a 15-foot (4.5-meter) birdie putt on the last green Friday to give the United States a dramatic 2-1 victory over Canada in the quarterfinals of the Dunhill Cup golf tournament.

"I still haven't got my breath back," said the U.S. Open champion and U.S. team captain after beating Dan Halldorson by one stroke with a three-under-par 69.

The match-winning point that saved the tournament favorites came after Lanny Wadkins had been beaten by Dave Barr's 66 in a match involving 13 birdies — nine coming in seven holes.

Mark O'Meara had beaten Canada's Richard Zokol, who was a stroke ahead before faltering at the Old Course's tough 17th hole. Both hit approach shots into the bunker guarding the green, but Zokol needed four shots to get clear and took an 8. He lost by two strokes.

The U.S. team was joined in Saturday's semifinals by Japan. Tommy Nakajima shot a backside 32 that gave him a 67-68 victory over Vicente Fernandez and Naomichi Ozaki beat Adan Sowa, 69-71.

In the other half of the draw, defending champion Australia routed Wales, 3-0. Team captain Greg Norman led the way to victory, defeating Ian Woosnam by four strokes with a six-birdie 67.

Scotland beat Ireland, 3-0, with Gordon Brand defeating Ronan Rafferty, 68-70; Sam Torrance overcoming Des Smyth, 70-72, and Sandy Lyle defeating David Feherty, 70-72.

■ 3 Tied for U.S. Lead

Dan Pohl, who has emerged from the rank and file of the PGA Tour this year to become one of circuit's leading money winners, shot six-under-par 66 on Thursday to tie D.A. Weibring and Morris Hatalsky for the first-round lead in the Southwest Golf Classic, United Press International reported from Abilene, Texas.

PGA champion Bob Tway saw his chances to move into the No. 1 spot on the money list dwindle with a round of 72. He needs to finish sixth or higher this week to move ahead of Norman as the tour's top money winner.

Scott Pitches a No-Hitter, Astros Win NL West Title

Compiled by Our Staff From Dispatches

HOUSTON — Mike Scott pitched a masterly no-hitter Thursday night as the Houston Astros completed their quest for their first division title in six years in emotional and commanding fashion before a sellout crowd in the Astrodome.

Scott struck out 13 batters and allowed only three base runners —

BASEBALL ROUNDUP

he hit Dan Gladden with his first pitch and walked two — en route to a 2-0 victory over the San Francisco Giants.

"That may have been the most dominating performance I've ever seen," said Roger Craig, the Giants' manager. "I told one of my coaches in the fourth or fifth inning, 'We're not going to get a hit off of him.' It was unbelievable."

The victory gave the Astros their first National League West Division title since the 1980 season, when they lost the pennant to the Philadelphia Phillies in a tense five-game series.

This time the Astros, who many picked in the preseason to finish near the bottom of the division, will face the New York Mets in the league championship series that begins Oct. 8 in Houston.

Scott struck out the first two batters in the ninth before getting Will Clark to ground out to Glenn Davis at first to complete his gem and give the division title to the Astros. The cheers from the crowd of 32,808 became even louder as teammates mobbed Scott and each other, but no fans joined in the celebration on the field, which was protected by at least a dozen mounted police officers as well as other security personnel.

Scott became the first pitcher to win a championship with a no-hitter, although Allie Reynolds of the New York Yankees clinched a tie for the American League pennant on Sept. 28, 1951, with a no-hitter against the Boston Red Sox. That no-hitter was Reynolds's second of the season.

Scott (18-10) raised his major-league-leading strikeout total to 298, five more than he had struck out in the previous three seasons combined. It also was the 11th time that he had gotten more than 10 strikeouts in a game, all this season. He also lowered his major-league leading earned-run average to 2.25.

The game-winning run came from third baseman Denny Walling, who drove a 1-0 fastball by Juan Berenguer just over the 378-foot (115-meter) mark in right-center with one out in the fifth inning.

The closest the Giants came to spoiling Scott's no-hitter was in the eighth when, following a walk to Phil Ouellette, pinch-hitter Harry Spilman drove a grounder sharply up the middle. Dickie Thon was able to field the ball and get the force at second base for the second out of the inning.

The final out of the inning came when Scott got Mike Aldrete, who spoiled Nolan Ryan's no-hit bid Tuesday, to hit a fly ball to deep center field. Billy Hatcher caught the ball on the run just before he reached the fence.

The performance by Scott, who retired 19 successive batters during one stretch, capped a tremendous week of pitching by the Astros, whose staff has not received nearly as much publicity as that of the Mets. In their two previous outings, Astro pitchers had consecutive two-hitters.

On Tuesday, Jim Deshaies, a rookie, struck out the first eight batters he faced in a victory over the Los Angeles Dodgers. Wednesday night, the 39-year-old Ryan struck out 12 and did not allow a hit until the seventh inning.

Ryan had posted Houston's last no-hitter, against the Los Angeles Dodgers on Sept. 26, 1981. Scott's was the eighth no-hitter in team history.

"I started thinking about the no-hitter in the seventh inning," Scott said. "I just wanted to keep throwing strikes for as long as I could. The split-fingered fast ball I had today was the best I had all year."

Scott, 31, learned how to throw the pitch from Craig after the 1984 season, when Scott was 5-11. At that time, Craig was the pitching coach for the Detroit Tigers.

"I thought there was no harm," Craig said Thursday. "He was in the other league."

Reds 6, Braves 4: In Cincinnati, Eddie Milner batted in three runs against Atlanta.

Mets 6, Cubs 5: In Chicago, pinch-hitter Danny Heep's two-run double during a three-run ninth helped New York win its 100th game, tying the club record set in 1969, when the team won the World Series.

Expos 8, Pirates 4: In Pittsburgh, Andre Dawson hit a two-run homer as Montreal won.

Cardinals 5, Phillies 4: In St. Louis, Tito Landrum's controversial homer in the seventh — the ball hit just above the yellow paint on the top of the left-field wall for his second homer this year — helped beat Philadelphia.

Dodgers 4, Padres 3; Padres 7, Dodgers 6: In Los Angeles, rookie Jeff Hamilton's homer with one out in the bottom of the 10th beat San Diego in the first game. Kevin McReynolds's two-run homer for the Padres with one out in the ninth won the second.

Angels 6, Indians 3: In the American League, in Anaheim, California, Reggie Jackson hit his 548th homer in the majors with a man on during a four-run eighth, beating Cleveland and reducing the Angels' magic number to two for clinching the West title.

Jackson's 18th homer this year and fifth in seven games deprived 47-year-old Phil Niekro of his 312th career triumph. Jackson has 11 RBIs in his last seven games.

Brewers 9, Orioles 3: In Milwaukee, Ted Higuera held Baltimore to eight scattered hits in George Bamberger's last game as manager. Higuera became the third 20-game winner in the majors this year and only the third in Brewers history.

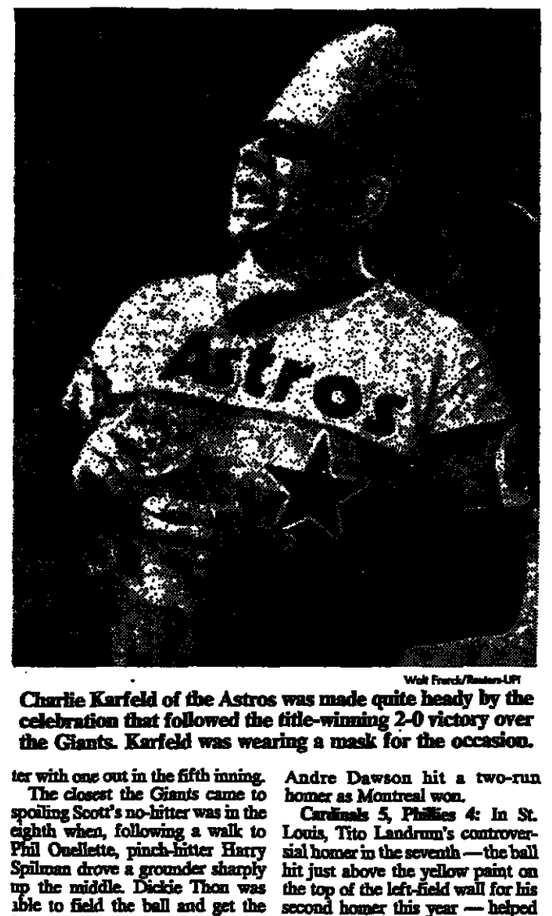
Royals 8, Twins 1: In Minneapolis, Willie Wilson and Jim Sundberg homered for Kansas City, which got 17 hits.

Blue Jays 4, Tigers 2: In Detroit, Tony Fernandez hit his second homer in as many games and Jesse Barfield hit his 35th this season for Toronto. *(NYT, UPI, AP)*

■ AL Attendance Record

The Seattle Mariners have surpassed 1 million in attendance, marking the first time in American League history that all 14 clubs have drawn 1 million or more, The Associated Press reported.

The Mariners drew 5,413 for Wednesday's game against the Texas Rangers, giving them 1,001,078 for the season and increasing the AL total to 23,999,943 entering Thursday's games. The league attracted a record 24,532,225 last year and, with 70 games left, can surpass the 1985 mark by 467,920 if it continues to draw its average of 22,988.



Walt Fravcik/Reuters-UPI

Charlie Karfeld of the Astros was made quite heady by the celebration that followed the title-winning 2-0 victory over the Giants. Karfeld was wearing a mask for the occasion.

NFL Could Be Called Old IV League

By Ed Shearer
The Associated Press

NEW YORK — Some National Football League teams apparently have been administering fluids intravenously to players for years to combat dehydration, a practice that came to light this week with reports that the Atlanta Falcons had used 19 liters during last Sunday's 37-35 victory over the Dallas Cowboys.

"I've been with the Falcons for 21 years and we've been doing this ever since I've been with the team," Dr. Charles Harrison, the team physician, said Thursday. "More than likely it's more prevalent with the teams in the Southeast because those folks up north, especially in air conditioned stadiums, don't have the problem."

Harrison said there have been times when the Falcons' locker room "looks like a M.A.S.H. unit. We use coat hangers in the ceiling and on the plane. We don't have any IV holders. If the ceiling's too high, we get people to hold them."

The IV, or intravenous, solution — primarily composed of glucose, sodium and potassium — is administered by physicians, not by coaches or team trainers.

"It's been around for years, since I've been here," said Otho Davis, trainer for the Philadelphia Eagles since 1973. "It replaces fluids more rapidly. You might do it in Dallas or Miami in early season. We've done it the day before a game, the day of, at halftime, after a game, on the way home. It's nothing new. It's a very sound medical practice. The alternative is definitely a lot worse."

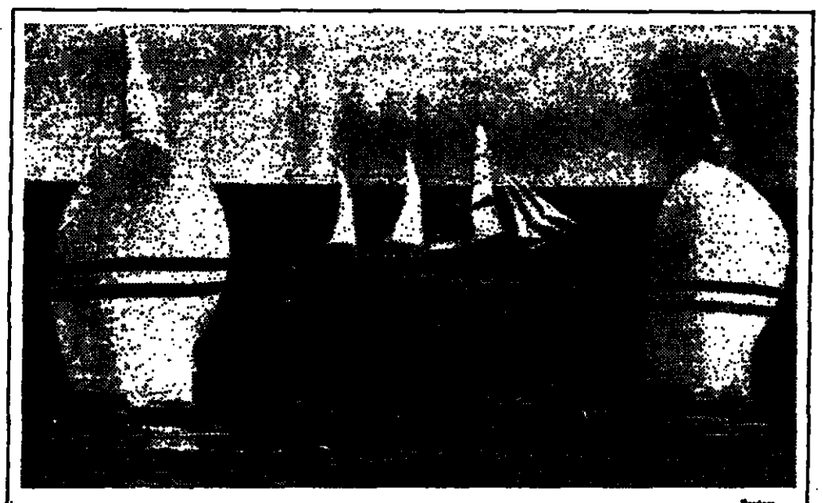
"If someone is cramping or dehydrated, that would be acceptable," said Fred Caito, trainer of the Super Bowl champion Chicago Bears. "I don't see any danger in it, although you might run the risk of infection. We give our players fluids, but there's no medical reason to do it with an IV as far as I'm concerned. Besides, we only get six minutes with the players" at halftime. "I don't know how they [the Falcons] do it."

The Falcons' Harrison said that during a game "you don't always have time to take a guy's blood pressure so you go by how he looks and feels, and it is pretty much the same people each time the occasion arises."

He said that the game in Dallas was probably an exception because of the humid, 90-degree heat and a temperature recorded at 120 degrees on the AstroTurf, following on the heels of a week of cool temperatures in Atlanta.

The Cowboys' general manager, Tex Schramm, said he had not heard of IVs being used by his team. The Cowboys' trainers could not be reached for comment.

"Based on what we know about, there doesn't appear to be anything controversial," an NFL spokesman said. "Seems to be a sensible thing to do under conditions of extreme heat. But we are checking with the Falcons for additional information."



Reuters

OLD, NEW, LOT OF BLUE — Two of the New York Yacht Club's 12-meter yachts being prepared for the America's Cup races sailed past the bark Leeuwin while training Friday off Fremantle. The Leeuwin is used to train young Australians in seamanship.

SCOREBOARD

Baseball

Thursday's Line Scores

AMERICAN LEAGUE

Kansas City 100 000 212—4 12 1
Minnesota 000 001 000—1 11 1
L. Saberhagen, Burkhard (6), Quisenberry (8) and Sundberg; Viola, Reichert (7) and Reed. W—Saberhagen, 7-11. L—Viola, 15-13. Sv—Quisenberry (32). HRs—Kansas City, Wilson (17), Sundberg (12).

Toronto 002 010 000—3 10 0
Detroit 000 001 001—2 6 1
J. Johnson, Henke (8) and Martinez; Tanana, Stoddard (8) and Nokes. W—J. Johnson, 7-2. L—Tanana, 11-9. Sv—Henke (25). HRs—Toronto, Fernandez (19), Barfield (35).

Baltimore 000 000 112—2 5 0
Milwaukee 010 021 22x—6 13 0
Dixon, Seal (7), Klinesmith (7) and Dempsey; Higuera and Moore. W—Higuera, 20-10.

Major League Standings

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	91	60	.603	—
Toronto	84	69	.549	8
New York	83	69	.546	8½
Detroit	80	73	.523	12
Cleveland	77	76	.503	15
Milwaukee	71	81	.467	20½
Baltimore	71	82	.464	21

West Division

California	89	63	.586	—
Texas	80	72	.526	9
Oakland	75	77	.471	13½
Kansas City	71	82	.464	18½
Seattle	67	86	.438	22½
Chicago	66	86	.434	23
Minnesota	65	87	.428	24

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
x-New York	100	53	.654	—
Philadelphia	80	73	.523	20
St. Louis	77	76	.503	23
Montreal	76	76	.500	23½
Chicago	65	88	.425	35
Pittsburgh	62	91	.405	38

West Division

x-Houston	89	64	.582	—
Cincinnati	79	74	.516	10
San Francisco	77	76	.503	12
Los Angeles	71	82	.464	18
San Diego	71	83	.464	18
Atlanta	70	82	.461	18½

x-Inched division title

L—Dixon, 11-13. HRs—Baltimore, Murray 2 (17), Rayford (9). Milwaukee, Yount (30).

Cleveland 020 000 100—3 4 0
California 002 000 04x—6 10 0
Nieto, Willis (6), Comacho (8) and Bando; McCaskill, Moore (9) and Sianna. W—McCaskill, 17-9. L—Willis, 2-4. Sv—Moore (21). HRs—Cleveland, Clark (1), Snyder (23). California, Jackson (18).

NATIONAL LEAGUE

Atlanta 000 001 210—4 13 1
Cincinnati 000 110 20x—4 7 0
Pulsa, Speck (5), Okwine (5), McMurtry (7), Assenmacher (8) and Benedict; Gullickson, Murphy (7), Robinson (8) and Sudara. W—Gullickson, 14-11. L—Pulsa, 1-1. Sv—Robinson (12). HR—Atlanta, Horner (7).

New York 001 110 003—6 12 0
Chicago 000 200 012—5 11 0
Darling, McDowell (8), Orosco (9) and Carter, Gibbons (9); Meyer, Lynch (8), Smith (9) and J. Davis. Moreland (9). W—McDowell, 14-9. L—Lynch, 5-5. Sv—Orosco (29). HRs—New York, Mitchell (12). Chicago, J. Davis (19), Mumphrey (5).

San Francisco 000 000 000—0 5 0
Houston 000 010 10x—2 10 0
Blomberger, M.Davis (6), Garrelts (8) and Dunleavy; Scott and Ashby. W—Scott, 18-10. L—Blomberger, 9-3. HR—Houston, Walling (13).

Montreal 204 100 100—8 10 0
Pittsburgh 000 002 010—4 6 1
Ownchinko, McGaffigan (6), St. Claire (8) and Hunt; Rhoden, Sanjley (7), Krawczyk (8), McWilliams (9) and T. Pena. W—Ownchinko, 1-0. L—Rhoden, 15-11. HRs—Montreal, Dawson (30), Hunt (2).

First Game

San Diego 000 000 003 0—3 5 1
Los Angeles 000 020 000 1—4 7 0
Hawkins, Whitson (6), McCullers (9) and Parent; Hoseycott, Howell (9) and Scioscia. W—Howell, 6-10. L—McCullers, 9-9. HRs—Los Angeles, Marshall (9), Hamilton (3).

Second Game

San Diego 100 000 222—7 15 2
Los Angeles 010 101 03x—6 8 0
Hoyvoord, Booker (7), Lefferts (8), McCullers (9) and Santiago, Bochy (8); Reuss, Holton (5), Powell (7), Howell (9) and Trevino. W—McCullers, 10-9. L—Howell, 6-11. HRs—San Diego, McReynolds (25). Los Angeles, Hamilton (4).

Philadelphia 007 002 071—6 5 0
St. Louis 120 000 11x—5 10 0
Rollins, Schatzeder (6), Teluvine (8) and Reynolds; Herlan, Soff (6), Worrell (8) and LaValliere. W—Soff, 4-0. L—Schatzeder, 4-5. Sv—Worrell (35). HRs—Philadelphia, Reynolds (23), Schu (8), Hayes (17). St. Louis, LaValliere (9), Landrum (2).

Transition

BASEBALL
National League
CHICAGO—Named John Vukovich manager of Maine, Artaono, instructional league team.
BASKETBALL
National Basketball Association
PHILADELPHIA—Signed Jerome Henderson, center.
PHOENIX—Agreed to terms with Sedric Toney, guard, on a one-year contract.
SAN ANTONIO—Signed Artis Gilmore, center.
FOOTBALL
National Football League
L.A. RAMS—Signed Jim Everett, quarterback, to a four-year contract.
NEW YORK—Waived Joe Cooper, kicker. Signed Raul Allegre, kicker.
ST. LOUIS—Signed Trov Johnson, wide receiver.
HOCKEY
National Hockey League
EDMONTON—Assigned Bruce Gillies, goalie; Al Tuer, Jim Playfair, John Miner, Selmar Odelein, Todd Carnelley and Grant Dion, defensemen; John Blues, Alfie Turcotte and Todd Ewen, centers; Mike Moller, Jim Mallard, Tom McMurchy, Jeff Brubaker, Kelly Buchberger and Lewis Crawford, wings, to Nova Scotia, American Hockey League. Assigned Doug Speck, defenseman, and Rene Boudreault, left wing, to Muskegon, International Hockey League. Returned Darren Durdle, defenseman, to Brandon University; Darren Beatie, goalie, to Ottawa, Ontario Hockey League, and Ron Shudra, defenseman, to Kamloops, Western Hockey League.
WASHINGTON—Sent Alain Raymond, centerfielder; Yves Beaudin, defenseman; Kris King, Ian O'Brien, Rod Melanchuk, Rob Degagne, Dwaine Hutton, and Mark Taylor, centers; Grant Martin, and Troy Veitheffer, left wings; Vito Cramarossa, Mick Vukota, and Jim Thomson, right wings, to Binghamton, American Hockey League. Sent Rob Archibald, center; Dallas Eakins, Bill Houlder, Kevin McDonald, and Mark Hammond, defensemen; Patrice Lefebvre, right wing, and Steve Seftel, left wing, to the junior hockey leagues.
PITTSBURGH—Signed Moe Mantha, defenseman, to a three-year contract plus option year. Released Shoshana Richer, defenseman, and Daniel Courcy, center. Returned Brad Aitken, Jeff Daniels, Kevin Clemens and Dave MacLwish, left wings; Steve Titus, goalie, and Jim Paek, Rob Wilson and Dave Haban, defensemen, to their junior teams.
TORONTO—Sent Jeff Reese, goalie; Cam Plante, Blake Wesley, Sean Clements, Cliff Abracks, Greg Hotham, Ted Sousa and Tim Lovas, defensemen; Dean DeFazio, Terry Martin, Chris McRae, Darryl Evans and Val Jonas, left wings; Wes Jarvis and Rich Costello, centers; Gerrard Wasiak, Derek Laxdal, Kevin MacGuire, Leigh Verstraete and Todd Petravich, right wings, to St. Catherines, American Hockey League. Returned Ken Spangler and Tim Bean, forwards, to junior teams.
COLLEGE
KENNESAW—Named Andy Akin women's basketball coach.
NEVADA-LAS VEGAS—Signed Wayne Nunnely, football coach, to three-year contract.
AUBURN—Named Hindman Wall athletic director.
C.W. POST—Named Rafael Sola wrestling coach.
MEMPHIS ST.—Named Larry Finch men's basketball coach.
SW LOUISIANA—Named Rosalie Franklin and Don Wilson assistant basketball coaches.
SOCCER
American Indoor Soccer Association
KALAMAZOO—Signed Geoff Wall, midfielder.
Major Indoor Soccer League
CHICAGO—Acquired Bulsto, forward-midfielder, from Los Angeles for undisclosed future considerations.
KANSAS CITY—Acquired Jens Busk and Martin Zimmerman, defenders, from Denmark's KB Copenhagen team.

China's Challenge of Japan Improves Games Records, All Asia's Swimmers

By Eric Hall
Reuters

SEOUL — Gold medalists at the 1982 Asian Games in New Delhi would not have received even a bronze at the games in Seoul.

Out of the 29 swimming events in Seoul, only one failed to produce a games record. And many old records have not just been beaten, they have been buried, by Asia's new swimmers.

There is widespread agreement that China's intense challenge to Japan's traditional dominance in the pool has created a fierce competition that has squeezed the last drop of effort out of all nations' swimmers.

Japan finished with 17 swimming golds against 10 for China and two for South Korea.

"It's a good thing that China and Japan compete like this, because it helps improve Asian standards," said the Japanese 400-meter freestyle silver medalist, Shigeo Ogata.

"The fierce fight between China and Japan makes me train harder," said Xie Jun, who beat Ogata and knocked more than six seconds off the old Asian record in the event.

Although the Chinese and Japanese have won all but one gold, the silver and bronze medal winners from South Korea, Malaysia, Singapore, India and Indonesia have broken national records and beaten the old Asian records.

Malaysia's 14-year-old Nurul Abdul Abdulah took the silver in both the women's 800- and 200-meter freestyle in times that would have won her gold in 1982. But she lost the 800 to China's Yan Ming, who almost effortlessly cut 10 seconds off the old record.

In all five swimming events Thursday, both gold and silver medal winners, and most bronze medalists, beat the old Asian marks.

Khajan Singh Tokas took 10 seconds off the Indian record for the 200-meter butterfly, but managed only a silver medal against Japan's Hiroshi Sato, who trimmed 2½ seconds off the Asian record. Tokas said that the challenge made him swim better.

Otman Siregar, the coach of 15-year-old Indonesian swimmer Wirmandi Sugriat, who took a bronze against the Japanese in the 200-meter breaststroke, said the quantum leap in Chinese and Japanese times had made everyone faster.

Behind the new performance of the Chinese team is East German national coach, Rudolph Klaus, now on loan to teach China's swimmers under a national exchange of sports coaches.

"In the last few years there has been much better organization in Chinese sport," said Klaus, who attributes East Germany's world reputation in sports to its superlative organization.

Had he introduced new techniques?

"Very hard training, mind training and some yoga techniques, and of course I have stressed the organization," he said.

Klaus said that he believed that, by the 1990 Asian Games in Beijing, China will have overtaken Japan.

But Chinese world record holders are still a long way off, he said, adding: "Maybe by the year 2000."

For example, Yan Ming still would have been doing her last turn when Tracey Wickham of Australia was setting a world record of 3:47.80 in the 800 freestyle in 1978.

A major problem for Asian swimmers is that they tend not to have long, slim bodies that cut down water resistance, said Ismail El-Beck, the Egyptian coach for the United Arab Emirates.

"The new speed comes from more scientific training methods, tailored to the individual," said El-Beck, who holds a doctorate in swimming technique.

Winning Pays Off in Korea

Agence France-Presse

SEOUL — South Korean table tennis star Ahn Jai Hyung is to get a cash prize of 150 million won (about $170,000) for leading his team to victory over world champion China at the Asian Games.

Ahn, 21, became an overnight national hero after beating China's Hui Jun on Wednesday to give South Korea a 5-4 victory in the men's team event. That was China's first defeat in seven years.

Ahn's award, to be made jointly by the South Korean Table Tennis Association and the insurance company for which Ahn works, is the largest sum ever given to an amateur athlete in South Korea.

Officials said the association had not yet decided how much would be given to Hyun Jung Hwa, 17, who led her team's smashing of China's world supremacy in the women's table tennis championship on Thursday. Officials said they believed Hyun would receive at least as much as Ahn.

Game Called: Wet Politics

New York Times Service

NEW YORK — A baseball tour of California by the Nicaraguan national team appears to be over before it began because of a tug-of-war between Washington and Managua that has left the two governments accusing each other, and the tour's U.S. organizers blaming both.

The diplomatic flap that led to a postponement, and probable cancellation, came just hours before the team was to fly to Los Angeles for a 10-day, six-game series that was to begin Friday afternoon.

The tour was a project of Bats Not Bombs, an ad hoc group, and the San Francisco-based Athletes United for Peace, founded in 1982 by Guy Benjamin, the former Stanford and pro football quarterback.

The two dozen players and coaches had been issued visas by the U.S. Embassy in Managua. But Nicaraguan sports authorities said they had refused to allow the team to make the trip because Washington had not authorized a visa for Danilo Aguirre, a government official and vice president of the Nicaraguan Amateur Baseball Federation. A spokesman for the U.S. Embassy said Aguirre, and two other baseball officials proposed as last-minute replacements for him, had "held off applying" for a visa until "it was too late to process their applications."

"This is a very good example of why our organization exists," said Benjamin. "If governments wouldn't get into this kind of struggle, there would be no need for people-to-people efforts like ours."

POSTCARD

Covering the Waterfront

By Joseph Giovannini
New York Times Service

BOSTON — The obvious anniversary in Boston last month was the Quincy Market's 10th. But there was a larger, unsung anniversary — the 25th for renewal of the downtown Boston waterfront.

In 1961, the city first undertook to revitalize the blighted area between the Italian North End, the downtown financial district, and the Government Center was started. With its abandoned warehouses and wharves, the area was then called Ghost Town by North End children.

Today, Bostonians can sit in Waterfront Park and view jets in the distance, vessels on the harbor and each other on the waterfront promenades. "Brick and beam" apartments in the rehabilitated warehouses cost as much as apartments the same size on Beacon Hill.

Redevelopment is now extending to other parts of the harbor. In 1984, the Boston Redevelopment Authority recommended the development of the entire 22-mile-long coast line, from East Boston in the north to Dorchester in the south, into a new district, Harborpark.

Last weekend, in the second annual Harborpark Day festival, water taxis carried Bostonians to the old Charlestown Navy Yard, where there were tours of restored buildings.

The downtown waterfront redevelopment is a national landmark in urban revitalization. Twenty-five years ago, the accepted way to save a city was to raze it. Robert Kroin, chief architect of the Boston Redevelopment Authority, says: "What has emerged is not an urban plan with specific rules, but a collection of attitudes and objectives about what the waterfront should be for the public. We want to see, smell and hear the harbor as deeply as possible into the city."

Direct public access to the waterfront was also a priority.

The first renewal plan, sponsored by the Boston Chamber of Commerce in collaboration with the redevelopment authority, included preservation of the larger warehouses. But it also proposed several 20-story apartment buildings, a six-lane boulevard next to Fitzgerald Expressway, and plans to demolish nearly two full blocks of old brick-and-limestone buildings at the edge of the North End.

When the city began work in the late 1960s, several independent developers and architects were converting waterside warehouses into apartments, selling and leasing them to "urban pioneers" who became advocates of a different direction. They favored a waterfront that was low-rise, preservationist and oriented to the pedestrian. The existing buildings were their symbols, with their exposed brick, timber and limestone.

In 1972, the group joined North End residents to successfully oppose the existing plan. A new plan was offered the next year, which preserved the threatened buildings, included housing for the elderly, allocated more park space and narrowed the roadway.

The character of the waterfront was taking shape, but it was the opening of Quincy Market 10 years ago that galvanized it. "Suddenly Boston was hot," says Samuel Mintz, an architect and city planner who worked on the first plan, "and property values in the waterfront area doubled."

The market helped confirm the district's character as traditional, pedestrian, low-rise and people-oriented with a mixture of residences, businesses and institutions. The revitalization has been most successful in creating a highly active district, its many parts strongly tied together and open to the public. Visitors now stroll freely around the wharves, the old buildings and boats.

With the exception of the Aquarium, the new architecture, however, has not proved as successful as the overall planning. The tall, slender Harbor Towers, by the New York architect I. M. Pei, lent much needed glamour to the area when they were built in 1970, but they remain isolated, and hardly have any sense of the harbor about them.

The Marriott Hotel, designed by Araldo Cossutta, also of New York, to recall warehouses, is greatly overscaled.

The turnaround has been so complete that gentrification, not blight, is now the problem for the North End. "I enjoy the area. I certainly think it's an improvement," says Peter Petrigno, a teacher who was reared in the North End, where he still lives. "But if my father didn't subsidize my rent, I couldn't afford to live here."

Dr. Arthur Sackler: Art and Frustrations

By Lon Tuck
Washington Post Service

WASHINGTON — One of the motivating forces of art collectors, said Dr. Arthur M. Sackler, a psychiatrist who should know, is frustration. "When some people are frustrated, they go out and buy a new hat, or a tie. When I have, I have gone out and bathed myself in something truly beautiful. So my collections are in a sense the measure of my frustrations."

Sackler, who just turned 73, over the years has acquired tens of thousands of objects in an extraordinarily diverse and intensively thorough set of collections. There is the fabled Asian collection (long coveted by several major museums), but there are also enormous holdings in Piranesi drawings, Italian majolica, European terra-cotta, pre-Columbian objects and textiles. Sackler is, said Thomas Lawton, head of the Freer Gallery here, "a modern Medici."

Next May the Smithsonian's Arthur M. Sackler Gallery, of Oriental art, will open on the quadrangle behind the Smithsonian Castle in Washington, giving the Sackler collection the same visibility as those of of Charles Lang Freer and Joseph Hirshhorn, whose similarly personal galleries lie on either side.

Who is this man who has also made major artistic bequests to Harvard, Princeton, Columbia, and in two instances, New York's Metropolitan Museum.

There are many sides to Arthur Sackler, who lives in a palatial Fifth Avenue apartment in New York that he shares with his considerably younger wife, Jill, an arts patron herself with a special interest in music. His art is simply the most visible. The three-page, single-spaced résumé he sent before the interview was meticulously grouped into three categories: "In Science," starting with his service as research director of the Creedmoor Institute for Psychobiological Studies from 1949 to 1954; "In the Arts," starting with his work on Columbia's Advisory Council of the Department of Art History and Archaeology from 1961 to 1974; and "In the Humanities," beginning with his 1967 sponsorship of a symposium on "Early Chinese Art and Its Possible Influence in the Pacific Basin (published in two volumes)."

Among the more visible fruits of his patronage are the Sackler Institute of Graduate Biomedical Science at New York University (his alma mater); the Arthur M. Sackler Center for Health Communications at Tufts; the Sackler Wing at the Metropolitan Museum (built to house the Temple of Dendur); and the Arthur M. Sackler Museum at Harvard, which opened last year to critical praise for its striking design by the British architect James Stirling.

At the top of the first page Sackler categorizes himself as "physician, researcher, publisher." There is no mention of his fortune, estimated in the Forbes magazine 400 list as "$175 million plus" and made mostly in medical publications and advertising.

But with all his interests, what motivates Sackler as a collector? Is it really, as he suggested, just impulse? "As much as love," he replied with a beatific grin. Some collections, he said, are "statements" and others merely "interior decoration. The acquisition of a great aesthetic statement is a work of art itself, an act of passion. And in so far as passion is not controllable, it constitutes in significant measure an act of impulse. I have mentioned the role of discipline in collecting. You heard me say that I consider science a discipline with passion, and art a passion for discipline. I don't believe that there can be any creativity without passion. Because I think all great art has enormous emotional content: a message of the Creator, conveyed within the language of his medium."

Few dates have been darker for the august Metropolitan Museum of Art than when it became known that the Metropolitan would not, as assumed, get the cream of the Sackler Oriental collection, which was going, instead, to the Smithsonian. About 5,000 of Sackler's Asian pieces had been stored at the Met for 16 years.

Asked if he was disappointed in the loss of the Oriental collection, the Met director Philippe de Montebello said: "The disinherited always have that view."

John McDonnell/The Washington Post

Sackler in gallery being built for his Oriental art.

The collection that got away from the Met is, said the Freer's Lawton, "the largest collection of Chinese art that I know of in private hands."

Lawton has chosen 153 of them for the Sackler Gallery in Washington. They were chosen to complement the collection of bronzes at the Freer, which has one of the world's great collections of Shang dynasty (circa 1523 to 1027 B.C.) bronzes.

Sackler gave Lawton carte blanche to go to the Met's Sackler enclave and, in effect, loot his collection for the new gallery. "It was a heady experience, by any standards," recalled the Freer's director.

In addition Sackler agreed to contribute $4 million to construction of the $75-million installation under the quadrangle, and to donate 1,000 objects from his Chinese holdings.

One hallmark of Sackler the collector is his reluctance to acquire pictures "in isolation."

"I collected, for instance, three paintings by Picasso done on the same day, and they were absolutely fascinating because you were able to see the evolution of the solution to a particular problem — which you would never see if the three were lifted out of context."

He also tells of acquiring a pair of paintings by Modigliani and by Diego Rivera. "They were very interesting. Modigliani and Diego were living together in Paris and were sharing the same studio. The painting I bought by Modigliani was of a lady in a necklace. And in Diego's painting, he had encompassed elements from this painting, including the hair, into a Cubist creation of his own. And there you can see the interaction."

Brooklyn-born, he started as an art student. "I went to Cooper Union at night. So I had a chance to be exposed to teachers. But unfortunately I early in life realized [my] limitations. But while I was going to premedical school, I was taking art courses."

Starting with his residency at Creedmoor State Hospital in Queens, Sackler, his two brothers — also psychiatrists — and other collaborators published more than 100 papers in the new field of biological functioning and its effect on mental behavior.

Coincidentally, he was laying the foundations for his fortune with shrewd investing in the pharmaceutical industry. In the early 1940s Sackler joined a leading medical advertising agency, William Douglas Mc-Adams Inc., partly to help finance his psychiatric career. In 1947 he bought it, and still owns it. Then Sackler went into medical publishing. He owns several publications, most notably the biweekly Medical Tribune, which makes millions from medical advertisers, goes free to 165,000 physicians in the United States and also circulates in other countries.

Sackler's collecting began in the 1940s when he started frequenting galleries and museums and getting to know the artists.

Some of Sackler's ideas on age and the character of creativity have changed over the years. "I used to think that creativity was limited by age. But the more time passes, I have come to realize that creativity is not that age-restrained. There are fascinating examples, in terms, let us say, of scientists such as Linus Pauling. Or a choreographer, Martha Graham. We are talking in terms of 85 to 90. People who still come up with the most creative solutions. In both cases, I think you will find a residual development of irreverence. Not for great achievements. But for conventional wisdom. I once asked Linus Pauling, 'What is the role of heresy in science?' And he looked at me and said, 'Arthur, isn't heresy the source of all real progress?' "

PEOPLE

'Wanted' U.K. Politician Got the Lady He Wanted

His political opponents put out a "wanted" poster for him in London because he was away from his elected post for months, but Alan Barrett says he has the best possible explanation for his absence. He was in Vermont, wooing the American woman he had fallen in love with on a cruise ship last spring, and it took longer than he expected. Barrett, 66, a Labor Party councillor for Lewisham, South London, said he hoped his constituents would forgive him. His new wife, the former Mrs. Lyndall Proctor, also 66, said she was amused at the attention that their romance had received. In recent weeks the Conservative Party in Lewisham has circulated a poster with Barrett's photo and the caption: "Have you seen this man? Last seen running for elections of Lewisham Council, in May." Barrett said he had made arrangements with two other Labor councillors to take care of his business while he was away.

□

Calvin Klein and one of his assistants, **Kelly Rector**, were married Friday in a private civil ceremony in Rome. Asked who designed her cream-colored wedding outfit, she said, "Calvin, of course." It was the second marriage for Klein and the first for Rector, his companion of three years.

□

The soul singer **Aretha Franklin** has become the first woman chosen for induction into the Rock 'n' Roll Hall of Fame to be built in Cleveland.

□

Jan Fontein, 59, director of the Boston Museum of Fine Arts, will step down next summer, after a decade in the post, the museum has announced. The Dutch-born Fontein plans a sabbatical year of research in Asia before returning to the museum as Matsutaro Shoriki Curator of Asiatic Art.

□

Britain's **Prince Philip**, president of the World Wildlife Fund, launched a weekend of ceremonies Friday in Assisi, Italy, to mark the 25th anniversary of the organization. "At one time we were a voice crying in the wilderness," Prince Philip said. "But evidently that voice has been heard."

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